FREE TRADE AGREEMENT BETWEEN

THE GOVERNMENT OF THE REPUBLIC OF KOREA AND

THE GOVERNMENT OF THE REPUBLIC OF SINGAPORE

The Government of the Republic of Korea ("Korea") and the Government of the Republic of Singapore ("Singapore"), hereinafter referred to as "the Parties";

Conscious of their bonds of longstanding friendship and strong trade and investment relationship;

Recalling the establishment of a Joint Study Group to examine the benefits of a Free Trade Agreement between the Government of the Republic of Korea and the Government of the Republic of Singapore ("Korea-Singapore FTA") in October 2002;

Desiring to adopt the recommendations in the Joint Study Group Report that the Parties proceed to negotiate the Korea-Singapore FTA, and that the Joint Study Group Report should serve as a framework for negotiations on the FTA;

Reaffirming their commitment to securing trade liberalisation and an outward-looking approach to trade and investment;

Convinced that their economic integration would generate larger economies of scale, provide greater work opportunities, and enhance transparency for economic activities for their businesses as well as for other businesses in Asia;

Sharing the belief that a free trade agreement between the Parties would improve their attractiveness to capital and human resources, and create larger and new markets, to expand trade and investment not only between them but also in the region;

Affirming their commitment to fostering the development of open market economy in Asia, and to encouraging economic integration of Asian economies in order to further the liberalisation of trade and investment in the region;

Reaffirming that this Agreement shall contribute to the expansion and development of world trade under the multilateral trading system embodied in the Marrakesh Agreement Establishing the World Trade Organization ("the WTO Agreement");

Building on their respective rights and obligations under the WTO Agreement and other multilateral, regional and bilateral instruments of co-operation; and

Resolved to promote reciprocal trade and investment, and to avoid circumvention of benefits of regional trade integration, through the establishment of clear and mutually advantageous trade rules, and industry as well as regulatory co-operation;

HAVE AGREED as follows:

CHAPTER 1
GENERAL PROVISIONS

ARTICLE 1.1 : ESTABLISHMENT OF FREE TRADE AREA

The Parties to this Agreement, consistent with Article XXIV of GATT 1994 and Article V of GATS, hereby establish a free trade area in accordance with the provisions of this Agreement.

ARTICLE 1.2 : OBJECTIVES

The objectives of this Agreement, as elaborated more specifically through its principles and rules, including national treatment, most-favoured-nation treatment and transparency, are to:

(a) liberalise and facilitate trade in goods and services and expand investment between the Parties;
(b) establish a co-operative framework for strengthening the economic relations between the Parties;
(c) establish a framework conducive for a more favourable environment for their businesses and promote conditions of fair competition in the free trade area;
(d) establish a framework of transparent rules to govern trade and investment between the Parties;
(e) create effective procedures for the implementation and application of this Agreement; and
(f) establish a framework for further regional and multilateral co-operation to expand and enhance the benefits of this Agreement throughout Asia, and thereby, to encourage economic integration of Asian economies.

ARTICLE 1.3 : RELATION TO OTHER AGREEMENTS

1. The Parties reaffirm their existing rights and obligations with respect to each other under existing bilateral and multilateral agreements to which both Parties are party, including the WTO Agreement.

2. In the event of any inconsistency between this Agreement and other agreements to which both Parties are party, the Parties shall immediately consult with each other with a view to finding a mutually satisfactory solution, taking into consideration general principles of international law.

3. Notwithstanding paragraph 2, if this Agreement explicitly contains provisions regarding such inconsistency as indicated in paragraph 2, those provisions shall apply.

ARTICLE 1.4 : REFERENCE TO OTHER AGREEMENTS

1. For the purposes of this Agreement, any reference to articles in GATT 1994 or GATS includes the interpretative notes, where applicable.

2. Any reference in this Agreement to any other treaty or international agreement shall be made in the same terms to its successor treaty or international agreement to which both Parties are party.

CHAPTER 2
GENERAL DEFINITIONS

For the purposes of this Agreement, unless otherwise specified:

Agreement means this free trade agreement between the Parties;

APEC means the Asia-Pacific Economic Co-operation;

citizen means:

(a) with respect to Korea, a Korean as defined in Article 2 of the Constitution of the Republic of Korea and its domestic laws; and
(b) with respect to Singapore, any person who is a citizen within the meaning of its Constitution and domestic laws;

Custom Valuation Agreement means the Agreement on Implementation of Article VII of the General Agreement on Tariff and Trade 1994, which is part of the WTO Agreement;

days means calendar days including weekends and holidays;

enterprise means any corporation, company, association, partnership, trust, joint venture, sole-proprietorship or other legally recognised entity that is duly incorporated, constituted, set up, or otherwise duly organised under the law of a Party, including branches, regardless of whether or not the entity is organised for pecuniary gain, privately or otherwise owned, or organised with limited or unlimited liability;

existing means in effect at the time of entry into force of this Agreement;

GATS means the General Agreement on Trade in Services, which is a part of the WTO Agreement;

GATT 1994 means the General Agreement on Tariffs and Trade 1994, which is a part of the WTO Agreement;

Generally Accepted Accounting Principles means the recognised consensus or substantial authoritative support in the territory of a Party with respect to the recording of revenues, expenses, costs, assets and liabilities, the disclosure of information and the preparation of financial statements. These standards may encompass broad guidelines of general application as well as detailed standards, practices and procedures;

Harmonized System (HS) means the Harmonized Commodity Description and Coding System, including its General Rules of Interpretation, Section Notes and Chapter Notes;

measure means any law, regulation, procedure or administrative action, requirement or practice;

national means a natural person who is a citizen or permanent resident of a Party;

permanent resident means any person who has the right of permanent residence in the territory of a Party;

person means a natural person or an enterprise;

person of a Party means a national or an enterprise of a Party;

territory means:

(a) with respect to Korea, the land, maritime, and air space under its sovereignty, and those maritime areas, including the seabed and subsoil adjacent to the outer limit of the territorial sea over which it exercises sovereign rights or jurisdiction in accordance with international law and its domestic law; and

(b) with respect to Singapore, its land territory and airspace above in accordance with international law, internal waters and territorial sea as well as the maritime zones beyond the territorial sea, including the seabed and subsoil, over which the Republic of Singapore exercises sovereign rights or jurisdiction under its national laws and international law for the purpose of exploration and exploitation of the natural resources of such areas; and

WTO Agreement means the Marrakesh Agreement Establishing the World Trade Organization, done on April 15, 1994.

CHAPTER 3
NATIONAL TREATMENT AND MARKET ACCESS FOR GOODS

ARTICLE 3.1 : DEFINITIONS

For the purposes of this Chapter:

other duties or charges means any duty or charge of any kind, except customs duty, imposed on or in connection with the importation of goods of the other Party, but does not include any:

(a) duty imposed pursuant to Chapter 6 (Trade Remedies);
(b) charge equivalent to an internal tax imposed consistently with Article III:2 of GATT 1994;
(c) fee or other charge in connection with importation commensurate with the cost of services rendered;
(d) premium offered or collected on an imported good arising out of any tendering system in respect of the administration of quantitative import restrictions, tariff rate quotas or tariff preference levels; or
(e) duty imposed pursuant to Article 5 of the WTO Agreement on Agriculture.

ARTICLE 3.2 : SCOPE AND COVERAGE

This Chapter shall be applied to the trade in goods between the Parties.

ARTICLE 3.3 : NATIONAL TREATMENT

Each Party shall accord national treatment to the goods of the other Party in accordance with Article III of GATT 1994. To this end, Article III of GATT 1994 is incorporated into and made part of this Agreement.

ARTICLE 3.4 : TARIFF ELIMINATION

1. Except as otherwise provided in this Agreement, each Party shall progressively eliminate its customs duties and other duties or charges on originating goods of the other Party in accordance with its Tariff Elimination Schedule set out in Annex 3A.

2. Upon request of a Party, the Parties shall consult to consider accelerating the elimination of customs duties as set out in their Tariff Elimination Schedules or incorporating into one Party's Tariff Elimination Schedule goods that are not subject to the Tariff Elimination Schedule. An agreement by the Parties to accelerate the elimination of customs duties on an originating good or to include a good in the Tariff

Elimination Schedule shall supersede any duty rate or staging category determined pursuant to their Tariff Elimination Schedules for such good, shall be treated as an amendment to Annex 3A and shall enter into force in accordance with the procedure under Article 22.4.

ARTICLE 3.5 : CUSTOMS VALUATION

The Parties shall apply Article VII of GATT 1994 and the provisions of Part I of the Customs Valuation Agreement for the purposes of determining the customs value of goods traded between the Parties.

ARTICLE 3.6 : EXPORT DUTY

Neither Party shall adopt or maintain any duties on goods exported from its territory into the territory of the other Party.

ARTICLE 3.7 : GOODS RE-ENTERED AFTER REPAIR OR PROCESS

In accordance with its domestic laws and regulations, each Party may exempt or reduce a customs duty to a good, regardless of its origin, that re-enters its territory after that good has been exported or if it was under a temporary exit from its territory to the territory of the other Party for repair or process, regardless of whether such repair or process could be performed in its territory.

ARTICLE 3.8 : IMPORT AND EXPORT RESTRICTIONS

1. Neither Party may adopt or maintain any prohibition or restriction on the importation of any good of the other Party or on the exportation or sale for export of any good destined for the territory of the other Party, except in accordance with rights and obligations under the WTO Agreement, or except as otherwise provided in this Agreement.

2. In the event that a Party adopts or maintains a prohibition or restriction on the

importation of a good from a non-Party, nothing in this Agreement shall be construed to prevent the Party from limiting or prohibiting the importation from the territory of the other Party of such a good of that non-Party.

3. In the event that a Party adopts or maintains a prohibition or restriction on the importation of a good from a non-Party, the Parties, upon request of the other Party, shall consult with a view to avoiding undue interference with or distortion of pricing, marketing and distribution arrangements in the other Party.

ARTICLE 3.9 : CUSTOMS USER FEES

Customs user fees shall be limited in amount to the approximate cost of services rendered and shall not represent an indirect protection for domestic products or a taxation of imports or exports for fiscal purposes. They shall be based on specific rates that correspond to the real value of the service rendered.

ARTICLE 3.10 BALANCE OF PAYMENT EXCEPTION

1. Where a Party is in serious balance of payments and external financial difficulties or threat thereof, it may, in accordance with GATT 1994 and the Understanding on the Balance-of-Payments Provisions of GATT 1994, adopt restrictive import measures. The relevant provisions of GATT 1994 and the Understanding on the Balance-of-Payments Provisions of GATT 1994 are hereby incorporated into and made part of the Agreement.

2. The Party introducing a measure under this Article shall promptly notify the other Party.

ANNEX 3A: TARIFF ELIMINATION SCHEDULES

SECTION 1 : TARIFF ELIMINATION SCHEDULE OF SINGAPORE

Pursuant to paragraph 1 of Article 3.4, Singapore shall eliminate customs duties on all originating goods from Korea as of the date of entry into force of this Agreement.

SECTION 2 : TARIFF ELIMINATION SCHEDULE OF KOREA

EXPLANATORY NOTES

1. The tariff elimination schedule in this Annex contains the following four columns for:

(a) **HS Code** which provides for the number used to describe goods in the Harmonised System of Korea 2004;

(b) **description** which describes the product falling under the HS Code;

(c) **base rate** which provides the most-favoured-nation applied rate of duties in effect as of January 1, 2004;

(d) **category** which provides the category or categories under which the product concerned falls for the purposes of tariff elimination:

(i) Year 0 provides for liberalisation on the date of the entry into force of the Agreement;

(ii) Year 5 provides for liberalisation over a transitional period of 5 years; and

(iii) Year 10 provides for liberalisation over a transitional period of 10 years.

2. The customs duties on imports into Korea originating from Singapore listed in the tariff elimination schedule under category Year 0, Year 5 and Year 10 shall be eliminated in equal installments in accordance with the following timetable:

Percentages of annual tariff reduction

Category	*Entry into force*	*Year 1*	*Year 2*	*Year 3*	*Year 4*	*Year 5*	*Year 6*	*Year 7*	*Year 8*	*Year 9*	*Year 10*
Year 0	*100%*										
Year 5	*16.7%*	*33.3%*	*50%*	*66.7%*	*83.3%*	*100%*					
Year 10	*9.1%*	*18.2%*	*27.3%*	*36.4%*	*45.5%*	*54.5%*	*63.6%*	*72.7%*	*81.8%*	*90.9%*	*100%*

3. For the purposes of this Section, Year 1 means the twelve-month period starting on January 1 of the subsequent year after entry into force of this Agreement, if the date of entry into force of this Agreement falls before the last quarter of a year. If the date of entry into force of this Agreement is in the last quarter of a year, Year 1 means the twelve-month period starting on January 1 of the second year after the entry into force of this Agreement.

4. For the purposes of implementing tariff elimination under this Section, the following shall apply:

(a) the first reduction shall take place on the date of entry into force of this Agreement; and

(b) the subsequent annual reductions shall take place on January 1 of Year 1 and each following year.

CHAPTER 4
RULES OF ORIGIN

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ARTICLE 4.1 : DEFINITIONS

For the purposes of this Chapter:

customs value means:

(a) the price actually paid or payable for a good or material with respect to a transaction of the seller of the good, pursuant to the principles of Article 1 of the Customs Valuation Agreement, adjusted in accordance with Article 8 of the Customs Valuation Agreement; or
(b) in the event that there is no such value or such value of the good is unascertainable, the value determined in accordance with Articles 2 through 7 of the Customs Valuation Agreement;

F.O.B. means free on board value of a good payable by the buyer to the seller, regardless of the mode of transportation, not including any internal excise taxes reduced, exempted, or repaid when the good is exported;

fungible goods or materials means goods or materials that are interchangeable for commercial purposes and whose properties are essentially identical;

good means any merchandise, product, article or material;

goods wholly obtained or produced entirely in the territory of one or both of the Parties means:

(a) mineral goods extracted there;
(b) plants and plant products grown and harvested, picked or gathered there;
(c) live animals born and raised there;
(d) goods obtained from hunting or trapping conducted there;
(e) goods obtained from fishing within the outer limit of the territorial sea of one or both of the parties;
(f) products of sea-fishing and other products taken from the sea outside of the

territorial sea of one or both of the Parties by vessels registered or recorded with a Party and flying its flag;

(g) goods produced on board factory ships from the goods referred to in paragraph (f), provided such factory ships are registered or recorded with one of the Parties and flying its flag;

(h) goods taken by a Party or a person of a Party from the seabed or beneath the seabed outside territorial waters, provided that the Party has rights to exploit such seabed;

(i) goods taken from outer space, provided that they are obtained by a Party or a person of a Party and not processed in the territory of a non-Party;

(j) waste and scrap derived from:

  (i) production there; or

  (ii) used goods collected there, provided that such goods are fit only for the recovery of raw materials; and

(k) goods produced in the territory of one or both of the Parties exclusively from goods referred to in paragraphs (a), (b), (c), (d), (e), (f), (g), (h), (i) and (j), or from their derivatives, at any stage of production;

intermediate material means a material that is self-produced and used in the production of a good, and designated pursuant to Article 4.7;

material means a good that is used in the production of another good and physically incorporated into the good;

non-originating good or **non-originating material** means a good or material that does not qualify as originating under this Chapter;

originating material means a material that qualifies as originating under Article 4.2;

packing materials and containers for shipment means goods used to protect a good during its transportation, different from those containers or materials used for its individual sale;

producer means a person who grows, mines, raises, harvests, fishes, reproduces and breeds, traps, hunts, manufactures, processes, assembles or disassembles a good;

production means method of obtaining goods including growing, raising, mining,

harvesting, fishing, reproducing and breeding, trapping, hunting, manufacturing, processing, assembling or disassembling a good;

used means used or consumed in the production of goods; and

value of materials means:

(a) except in the case of packing materials and containers for shipment, for the purposes of calculating the regional value content of a good and for the purposes of applying the De Minimis rule, the value of a material that is used in the production of a good shall:

(i) for a material that is imported by the producer of the good, be the customs value of the material with respect to the importation including the costs of freight, insurance, packing and all other costs incurred in the international shipment of that material to the location of the producer, if not included;

(ii) for a material purchased in the territory where the good is produced, be the producer's price actually paid or payable for the material including the costs of freight, insurance, packing and all other costs incurred in transporting the material to the location of the producer, if not included; and

(iii) for an intermediate material, be determined by computing the sum of:

(A) all costs incurred in the production of the material, including general expenses; and

(B) an amount for profit;

(b) for the value of non-originating materials, the following expenses may be deducted from the value of the material:

(i) the duties, taxes and customs brokerage fees on the materials paid in the territory of one or more of the Parties, other than the duties and taxes that are waived, refunded, refundable or otherwise recoverable,

including credit against duties or taxes paid or payable;

(ii) inland transportation costs incurred to transport the materials to the local producer;

(iii) the costs of waste and spoilage resulting from the use of the material in the production of the good, less the value of renewable scrap or by-product; and

(iv) the cost of originating materials used in the production of the non-originating material in the territory of a Party.

ARTICLE 4.2 : ORIGINATING GOODS

1. For the purposes of this Agreement, an originating good means a good:

(a) wholly obtained or produced entirely in the territory of one or both of the Parties;
(b) that has satisfied the requirements specified in Annex 4A as well as other applicable requirements under this Chapter as a result of the production occurring entirely in the territory of one or both of the Parties;
(c) otherwise provided as an originating good under this Chapter; or
(d) produced entirely in the territory of one or both of the Parties exclusively from originating materials pursuant to this Chapter.

2. Product-specific rules, requiring that the materials used undergo a change in tariff classification or a specific manufacturing or processing operation, shall apply only to non-originating materials.

ARTICLE 4.3 : TREATMENT OF CERTAIN GOODS

1. The goods listed in Annex 4B shall be originating goods when the goods are imported into the territory of Singapore from the territory of Korea. The goods shall also be originating material for purposes of satisfying the requirements specified in this Chapter.

2. Upon request of a Party, the Parties shall have consultations on the operation or revision of this Article and Annex 4B.

ARTICLE 4.4 : OUTWARD PROCESSING

1. Notwithstanding the relevant provisions of Article 4.2 and the product-specific requirements set out in Annex 4A, a good listed in Annex 4C shall be considered as originating even if it has undergone processes of production or operation outside the territory of a Party on a material exported from the Party and subsequently re-imported to the Party, provided that:

(a) the total value of non-originating inputs as set out in paragraph 2 does not exceed forty (40) per cent of the customs value of the final good for which originating status is claimed;
(b) the value of originating materials is not less than forty-five (45) per cent of the customs value of the final good for which originating status is claimed;
(c) the materials exported from a Party shall have been wholly obtained or produced in the Party or have undergone there processes of production or operation going beyond the non-qualifying operations in Article 4.16, prior to being exported outside the territory of the Party;
(d) the producer of the exported material and the producer of the final good for which originating status is claimed are the same;
(e) the re-imported good has been obtained through the processes of production or operation of the exported material; and
(f) the last process of production or operation[4-1] takes place in the territory of the Party.

2. For the purposes of paragraph 1(a), the total value of non-originating inputs shall be the value of any non-originating materials added in a Party as well as the value of any materials added and all other costs accumulated outside the territory of the Party, including transportation cost.

[4-1] The last process of production or operation does not exclude the non-qualifying operations stipulated in Article 4.16

ARTICLE 4.5 : REGIONAL VALUE CONTENT

When a regional value content is required to determine an originating good, the regional value content of a good shall be calculated on the basis of the following method:

$$RVC = \frac{CV - VNM}{CV} \times 100$$

where

RVC is the regional value content, expressed as a percentage;

CV is the customs value adjusted to an F.O.B. basis; and

VNM is the value of non-originating materials used by the producer in the production of the good.

ARTICLE 4.6 : UNASSEMBLED OR DISASSEMBLED GOODS

A good that is imported into the territory of a Party in an unassembled or disassembled form but is classified as an assembled good pursuant to the provisions of sub-paragraph (a) of paragraph 2 of the General Rule for the Interpretation of the Harmonized System shall be considered as an originating good, if the good meets the requirements of Article 4.2.

ARTICLE 4.7 : INTERMEDIATE MATERIALS

Any self-produced material that is used in the production of a good may be designated by the producer of the good as an intermediate material for the purpose of calculating the regional value content of the good under Article 4.5, provided that where the intermediate material is subject to a regional value content requirement, no other

self-produced material subject to a regional value content requirement used in the production of that intermediate material may itself be designated by the producer as an intermediate material.

ARTICLE 4.8 : NEUTRAL ELEMENTS

In order to determine whether a good originates it shall not be necessary to determine the origin of the following which might be used in its production and not incorporated into the good:

(a) fuel and energy;
(b) tools, dies and moulds;
(c) spare parts and materials used in the maintenance of equipment and buildings;
(d) lubricants, greases, compounding materials and other materials used in production or used to operate equipment and buildings;
(e) gloves, glasses, footwear, clothing, safety equipment and supplies;
(f) equipment, devices and supplies used for testing or inspecting the goods; and
(g) any other goods that are not incorporated into the good but whose use in the production of the good can reasonably be demonstrated to be a part of that production.

ARTICLE 4.9 : ACCUMULATION

1. Originating materials from the territory of a Party incorporated in the production of a good in the territory of the other Party, shall be considered to originate in the territory of the other Party.

2. For the purpose of establishing that a good is originating, the producer of a good may accumulate one's production with the production, in the territory of one or both of the Parties by one or more producers, of materials incorporated in the production of the good, so that the production of those materials is considered as done by that producer, provided that the good complies with the criteria set out in Article 4.2.

ARTICLE 4.10 : DE MINIMIS

1. A good that does not undergo a change in tariff classification pursuant to Annex 4A shall be considered as originating if:

(a) the value of all non-originating materials used in its production that do not undergo the required change in tariff classification does not exceed ten (10) per cent of the customs value of the good; and
(b) the good meets all other applicable criteria set forth in this Chapter for qualifying as an originating good.

The value of such non-originating materials shall, however, be included in the value of non-originating materials for any applicable regional value content requirement for the good.

2. Paragraph 1 shall not apply to:

(a) a non-originating material used in the production of a good provided for in Chapters 1 through 14 of the Harmonized System; and
(b) a non-originating material used in the production of a good provided for in Chapters 15 through 24 of the Harmonized System unless the non-originating material is provided for in a different subheading from that of the good for which the origin is being determined under this Article.

3. A good provided for in Chapters 50 through 63 of the Harmonized System that is not an originating good, because certain fibres or yarns used in the production of the component of the good that determines the tariff classification of the good do not undergo an applicable change in tariff classification set out in Annex 4A, shall nonetheless be considered as originating if the total weight of all such fibres or yarns in that component is not more than eight (8) per cent of the total weight of that component.

ARTICLE 4.11 : FUNGIBLE GOODS AND MATERIALS

1. The determination of whether fungible goods or materials are originating goods shall be made either by physical segregation of each good or material or through the use of any of the inventory management method, such as averaging, last-in, first-out, or first in, first-out, recognised in the Generally Accepted Accounting Principles of a Party in

which the production is performed or otherwise accepted by the Party in which the production is performed.

2. Once a particular inventory management method is selected under paragraph 1, that method shall continue to be used for those fungible goods or materials throughout the fiscal year of the person that selected the inventory management method.

ARTICLE 4.12 : ACCESSORIES, SPARE PARTS AND TOOLS

1. Accessories, spare parts, or tools, delivered with a good that form part of standard accessories, spare parts or tools of the good, shall be considered as originating if the good is an originating good, and shall be disregarded in determining whether all the non-originating materials used in the production of the good undergo the applicable change in tariff classification set out in Annex 4A, provided that:

(a) the accessories, spare parts or tools are not invoiced separately from the good; and
(b) the quantities and value of the accessories, spare parts or tools are customary for the good.

2. If the good is subject to a regional value-content requirement, the value of the accessories, spare parts or tools shall be taken into account as originating or non-originating materials, as the case may be, in calculating the regional value content of the good.

ARTICLE 4.13 : PACKAGING MATERIALS AND CONTAINERS FOR RETAIL SALE

Packaging materials and containers in which a good is packaged for retail sale shall, if classified with the good, be disregarded in determining whether all the non-originating materials used in the production of the good undergo the applicable change in tariff classification set out in Annex 4A, and, if the good is subject to a regional value content requirement, the value of such packaging materials and containers shall be taken into account as originating or non-originating materials, as the case may be, in calculating the regional value content of the good.

ARTICLE 4.14 : PACKING MATERIALS AND CONTAINERS FOR SHIPMENT

Packing materials and containers in which a good is packed for shipment shall be disregarded in determining whether:

(a) the non-originating materials used in the production of the good undergo an applicable change in tariff classification set out in Annex 4A; and
(b) the good satisfies a regional value content requirement.

ARTICLE 4.15 : DIRECT CONSIGNMENT

A good shall not be considered to be an originating good of a Party by reason of having undergone production that satisfies the requirements of Article 4.2, if, subsequent to that production:

(a) the good is not transported directly to the territory of the other Party; or
(b) where the good is shipped through or transshipped in the territory of a country that is not a Party under this Agreement, the importer has failed to meet the requirements stipulated in paragraph (c) of Article 5.9.

ARTICLE 4.16 : NON-QUALIFYING OPERATIONS

Notwithstanding any provision in this Chapter, a good shall not be considered to have satisfied the requirements for an originating good in Article 4.2 merely by reason of going through certain operations or processes including, *inter alia*, the following :

(a) operations to ensure the preservation of products in good condition during transport and storage (such as drying, freezing, keeping in brine) and other similar operations;
(b) changes of packaging and breaking up and assembly of packages;
(c) affixing marks, labels and other like distinguishing signs on products or their packaging;
(d) disassembly;
(e) testing or calibrations;

(f) placing in bottles, cases, boxes and other simple packaging operations;
(g) simple cutting, including peeling, unshelling or unflaking, grain removing, removal of bones, crushing or squeezing, and macerating;
(h) simple mixing;
(i) simple assembly of parts to constitute a complete product;
(j) simple making-up of sets of articles;
(k) slaughter of animals;
(l) quality check or grinding;
(m) elimination of dust from broken or damaged parts, application of oil, paint for rust treatment or other protecting materials;
(n) salifying or sweetening;
(o) dilution with water or with any other aqueous, ionized or salted solution;
(p) division of bulk shipment; and
(q) a combination of two or more operations referred to in paragraphs (a) through (p) ,

carried out in the territory of the Parties, when non-originating materials are used in those operations.

ARTICLE 4.17 : INTERPRETATION AND APPLICATION

For the purposes of this Chapter:

(a) the basis for tariff classification in this Chapter is the Harmonised System as amended on January 1, 2002;
(b) in applying the Customs Valuation Agreement for the determination of the origin of a good under this Chapter:
    (i) the principles of the Customs Valuation Agreement shall apply to domestic transactions, with such modifications as may be required by the circumstances, as would apply to international transactions;
    (ii) the provisions of this Chapter shall take precedence over the Customs Valuation Agreement to the extent of any difference; and
    (iii) the definitions in Article 4.1 shall take precedence over the definitions in the Customs Valuation Agreement to the extent of any difference; and
(c) all costs referred to in this Chapter shall be recorded and maintained i n accordance with the Generally Accepted Accounting Principles applic

able in the territory of the Party in which the good is produced.

ARTICLE 4.18 : CONSULTATIONS AND MODIFICATIONS

1. The Parties shall consult and co-operate to ensure that this Chapter is applied in an effective and uniform manner.

2. The Parties shall consult to review the rules of origin and discuss necessary amendments to this Chapter and its Annexes, as provided in Article 22.1 or upon the request of a Party, taking into account developments in technology, production processes, and other related matters including the recommended amendments to the Harmonized System.

ANNEX 4A : SPECIFIC RULES OF ORIGIN

Section I – Live Animals; Animal Products

Chapter 1	**Live Animals**
01.01 - 01.06	A change to heading 01.01 through 01.06 from any other chapter.
Chapter 2	**Meat and Edible Meat Offal**
02.01 – 02.10	A change to heading 02.01 through 02.10 from any other chapter, except from Chapter 1.
Chapter 3	**Fish and Crustaceans, Molluscs and Other Aquatic Invertebrates**
0301.10	A change to subheading 0301.10 from any other chapter or raised from eggs, fry or fingerlings to be normally fed on initial feed such as brine shrimp or artemia.
0301.91 – 0301.99	A change to subheading 0301.91 through 0301.99 from any other chapter.
03.02 – 03.07	A change to heading 03.02 through 03.07 from any other chapter.
Chapter 4	**Dairy Produce; Birds Eggs; Natural Honey; Edible Products of Animal Origin, Not Elsewhere Specified or Included**
04.01 – 04.06	A change to heading 04.01 through 04.06 from any other chapter except from 18.06.90, 19.01 and 2106.90.
04.07 – 04.10	A change to heading 04.07 through 04.10 from any other chapter.
Chapter 5	**Products of Animal Origin, Not Elsewhere Specified or Included**

05.01 – 05.11	A change to heading 05.01 through 05.11 from any other chapter except from Chapters 1 and 3.

Section II – Vegetable Products[1]

Chapter 6	**Live Trees and Other Plants; Bulbs, Roots and the Like; Cut Flowers and Ornamental Foliage**
06.01 – 06.02	A change to heading 06.01 through 06.02 from any other chapter.
06.03 – 06.04	A change to heading 06.03 through 06.04 from any other chapter except from 12.11, 12.12, and 12.14.
Chapter 7	**Edible Vegetables and Certain Roots and Tubers**
07.01 – 07.13	A change to heading 07.01 through 07.13 from any other chapter except from 11.05, 11.06, 20.01 through 20.06.
07.14	A change to heading 07.14 from any other chapter except from 20.08.
Chapter 8	**Edible Fruit and Nuts; Peel of Citrus Fruit or Melons**
08.01 – 08.12	A change to heading 08.01 through 08.12 from any other chapter.
0813.10 – 0813.40	A change to subheading 0813.10 through 0813.40 from any other chapter.
0813.50	A change to subheading 0813.50 from any other chapter except from 1106.30, 20.01, 20.06 and 20.08.

[1] Agricultural and horticultural goods grown in the territory of a Party shall be treated as originating in the territory of that Party even if grown from seed, bulbs, rootstock, cuttings, slips or other live parts of plants imported from a non-Party country.

08.14	A change to heading 08.14 from any other chapter except from 1106.30, 20.01, 20.06 and 20.08.
Chapter 9	**Coffee, Tea, Mate and Spices**
0901.11 – 0901.12	A change to subheading 0901.11 through 0901.12 from any other chapter.
0901.21 – 0901.22	A regional value content of not less than 55%.
0901.90	A change to subheading 0901.90 from any other chapter.
09.02 – 09.03	A change to heading 09.02 through 09.03 from any other chapter.
0904.11 – 0904.12	A change to subheading 0904.11 through 0904.12 from any other chapter except from 2103.90.
0904.20	A change to subheading 0904.20 from any other chapter except from 0710.80 and 2103.90.
09.05 – 09.10	A change to heading 09.05 through 09.10 from any other chapter.
Chapter 10	**Cereals**
10.01 – 10.08	A change to heading 10.01 through 10.08 from any other chapter.
Chapter 11	**Products of the Milling Industry; Malt; Starches; Inulin; Wheat Gluten**
11.01 – 11.04	A change to heading 11.01 through 11.04 from any other chapter except from Chapter 10.
11.05	A change to heading 11.05 from any other chapter except from 07.01.
11.06	A change to heading 11.06 from any other chapter except from 07.13, 07.14, and Chapter 8.
11.07 – 11.09	A change to heading 11.07 through 11.09 from any other chapter

	provided it has a regional value content of not less than 45%.
Chapter 12	**Oil Seeds and Oleaginous Fruits; Miscellaneous Grains, Seeds and Fruit; Industrial or Medicinal Plants; Straw and Fodder**
12.01 – 12.10	A change to heading 12.01 through 12.10 from any other chapter.
12.11	A change to heading 12.11 from any other chapter except from 2106.90.
12.12 – 12.14	A change to heading 12.12 through 12.14 from any other chapter.
Chapter 13	**Lac; Gums; Resins and Other Vegetable Saps and Extracts**
13.01 – 13.02	A change to heading 13.01 through 13.02 from any other chapter.
Chapter 14	**Vegetable Plaiting Materials; Vegetable Products Not Elsewhere Specified or Included**
14.01 – 14.04	A change to heading 14.01 through 14.04 from any other chapter.

Section III – Animal or Vegetable Fats and Oils and Their Cleavage Products; Prepared Edible Fats; Animal or Vegetable Waxes

Chapter 15	**Animal or Vegetable Fats and Oils and Their Cleavage Products; Prepared Edible Fats; Animal or Vegetable Waxes**
15.01 – 15.10	A change to heading 15.01 through 15.10 from any other chapter provided it has a regional value content of not less than 45%.
15.11	A regional value content of not less than 55%.
15.12 – 15.15	A change to heading 15.12 through 15.15 from any other chapter provided it has a regional value content of not less than 45%.
1516.10	A change to subheading 1516.10 from any other chapter except

	from Chapters 1, 2, 3 and 5.
1516.20	A change to subheading 1516.20 from any other chapter provided it has a regional value content of not less than 45%.
15.17 – 15.22	A change to heading 15.17 through 15.22 from any other chapter provided it has a regional value content of not less than 45%.

Section IV – Prepared Foodstuffs; Beverages, Spirits and Vinegar; Tobacco and Manufactured Tobacco Substitutes

Chapter 16	**Preparations of Meat, of fish or of Crustaceans, Molluscs or Other Aquatic Invertebrates**
16.01 - 16.02	A change to heading 16.01 through 16.02 from any other chapter.
16.03 – 16.05	A change to heading 16.03 through 16.05 from any other chapter provided it has a regional value content of not less than 45%.
Chapter 17	**Sugars and Sugar Confectionery**
17.01 – 17.03	A change to heading 17.01 through 17.03 from any other chapter.
17.04	A change to heading 17.04 from any other heading provided it has a regional value content of not less than 45%.
Chapter 18	**Cocoa and Cocoa Preparations**
18.01 – 18.02	A change to heading 18.01 through 18.02 from any other chapter.
18.03 - 18.05	A change to heading 18.03 through 18.05 from any other heading.
18.06	A change to heading 18.06 from any other heading provided it has a regional value content of not less than 45%.
Chapter 19	**Preparation of Cereals, Flour, Starch or Milk; Pastrycooks**

	Products
19.01	A change to heading 19.01 from any other chapter except from 04.01 through 04.04, chapters 10 and 11.
19.02 – 19.05	A change to heading 19.02 through 19.05 from any other heading provided it has a regional value content of not less than 45%.
Chapter 20	**Preparations of Vegetables, Fruit, Nuts or Other Parts of Plants**
20.01 – 20.08	A change to heading 20.01 through 20.08 from any other heading provided it has a regional value content of not less than 45%.
2009.11 – 2009.80	A change to subheading 2009.11 through 2009.80 from any other heading provided it has a regional value content of not less than 45%.
2009.90	A regional value content of not less than 55%.
Chapter 21	**Miscellaneous Edible Preparations**
2101.11 – 2101.12	A regional value content of not less than 55%.
2101.20 - 2101.30	A change to subheading 2101.20 through 2101.30 from any other heading provided it has a regional value content of not less than 45%.
21.02	A change to heading 21.02 from any other heading.
21.03 – 21.04	A change to heading 21.03 through 21.04 from any other heading provided it has a regional value content of not less than 45%.
21.05	A change to heading 21.05 from any other chapter provided it has a regional value content of not less than 45%.
21.06	A change to heading 21.06 from any other heading provided it has a regional value content of not less than 45%.

Chapter 22	**Beverages, Spirits and Vinegar**
22.01	A change to heading 22.01 from any other chapter.
22.02	A change to heading 22.02 from any other heading provided it has a regional value content of not less than 45%.
22.03 – 22.09	A change to heading 22.03 through 22.09 from any other heading.
Chapter 23	**Residues and Waste from the Food Industries; Prepared Animal Fodder**
23.01 – 23.08	A change to heading 23.01 through 23.08 from any other chapter.
23.09	A regional value content of not less than 55%.
Chapter 24	**Tobacco and Manufactured Tobacco Substitutes**
24.01	A change to heading 24.01 from any other chapter.
24.02	A change to heading 24.02 from any other heading except from 24.03.
24.03	A change to heading 24.03 from any other heading.

Section V – Mineral Products

Chapter 25	**Salt; Sulphur; Earths and Stone; Plastering Materials, Lime and Cement**
25.01 – 25.16	A change to heading 25.01 through 25.16 from any other heading.
25.17	A change to heading 25.17 from any other heading except from 2515 or 2516.

25.18 – 25.21	A change to heading 25.18 through 25.21 from any other heading.
25.22 – 25.23	A change to heading 25.22 through 25.23 from any other heading except from 25.21.
25.24 – 25.30	A change to heading 25.24 through 25.30 from any other heading.
Chapter 26	**Ores, Slag and Ash**
26.01 – 26.21	A change to heading 26.01 through 26.21 from any other heading.
Chapter 27	**Mineral Fuels, Mineral Oils and Products of their Distillation; Bituminous Substances; Mineral Waxes**
27.01 – 27.16	A change to heading 27.01 through 27.16 from any other heading.

Section VI – Products of the Chemical or Allied Industries

Chapter 28	**Inorganic Chemicals; Organic or Inorganic Compounds of Precious Metals, of Rare-Earth Metals, of Radioactive Elements or of Isotopes**
28.01 - 28.51	A change to heading 28.01 through 28.51 from any other heading.
Chapter 29	**Organic Chemicals**
29.01	A change to heading 29.01 from any other heading.
2902.11 – 2902.19	A change to subheading 2902.11 through 2902.19 from any other heading.
2902.20 – 2902.30	A change to subheading 2902.20 through 2902.30 from any other heading
2902.41 – 2902.43	A change to subheading 2902.41 through 2902.43 from any other heading except from 27.07.

2902.44 - 2902.50	A change to subheading 2902.44 through 2902.50 from any other heading.
2902.60 – 2902.70	A change to subheading 2902.60 through 2902.70 from any other heading except from 29.01 or a change to subheading 2902.60 through 2902.70 from any other heading provided it has a regional value content of not less than 50%.
2902.90	A change to subheading 2902.90 from any other subheading or production in which the regional value content is not less than 45%.
2903.11 – 2903.14	A change to subheading 2903.11 through 2903.14 from any other heading.
2903.15	A change to subheading 2903.15 from any other heading except from 29.01 or a change to subheading 2903.15 from any other heading provided it has a regional value content of not less than 50%.
2903.19	A change to subheading 2903.19 from any other heading.
2903.21	A change to subheading 2903.21 from any other heading except from 29.01 or a change to subheading 2903.21 from any other heading provided it has a regional value content of not less than 50%.
2903.22 - 2903.69	A change to subheading 2903.22 through 2903.69 from any other heading.
29.04	A change to heading 29.04 from any other heading.
2905.11	A change to subheading 2905.11 from any other heading.
2905.12 – 2905.14	A change to subheading 2905.12 through 2905.14 from any other heading except from 29.01 or a change to subheading 2905.12 through 2905.14 from any other heading provided it has a regional value content of not less than 50%.

2905.15	A change to subheading 2905.15 from any other heading.
2905.16	A change to subheading 2905.16 from any other heading except from 29.01 or a change to subheading 2905.16 from any other heading provided it has a regional value content of not less than 50%.
2905.17 – 2905.29	A change to subheading 2905.17 through 2905.29 from any other heading.
2905.31	A change to subheading 2905.31 from any other heading except from 29.01 or a change to subheading 2905.31 from any other heading provided it has a regional value content of not less than 50%.
2905.32	A change to subheading 2905.32 from any other heading.
2905.39	A change to subheading 2905.39 from any other heading except from 29.12 or a change to subheading 2905.39 from any other heading provided it has a regional value content of not less than 50%.
2905.41 – 2905.59	A change to subheading 2905.41 through 2905.59 from any other heading.
29.06 – 29.14	A change to heading 29.06 through 29.14 from any other heading.
2915.11 - 2915.24	A change to subheading 2915.11 through 2915.24 from any other heading.
2915.29 - 2915.32	A change to subheading 2915.29 through 2915.32 from any other chapter or a change to subheading 2915.29 through 2915.32 from any other heading provided it has a regional value content of not less than 50%.
2915.33 - 2915.90	A change to subheading 2915.33 through 2915.90 from any other heading.

2916.11 – 2916.14	A change to subheading 2916.11 through 2916.14 from any other heading except from 29.01 or a change to subheading 2916.11 through 2916.14 from any other heading provided it has a regional value content of not less than 50%.
2916.15 - 2916.39	A change to subheading 2916.15 through 2916.39 from any other heading.
29.17 - 29.36	A change to heading 29.17 through 29.36 from any other heading.
2937.11	A change to subheading 2937.11 from any other heading except from 29.33 and 29.34 or a change to subheading 2937.11 from any other heading provided it has a regional value content of not less than 50%.
2937.12	A change to subheading 2937.12 from any other heading.
2937.19	A change to subheading 2937.19 from any other heading except from 29.33 and 29.34 or a change to subheading 2937.19 from any other heading provided it has a regional value content of not less than 50%.
2937.21 – 2937.90	A change to subheading 2937.21 through 2937.90 from any other heading.
29.38	A change to heading 29.38 from any other heading.
2939.11	A change to subheading 2939.11 from any other heading except from 1211.40.
2939.19 – 2939.99	A change to subheading 2939.19 through 2939.99 from any other heading.
29.40 – 29.42	A change to heading 29.40 through 29.42 from any other heading.
Chapter 30	**Pharmaceutical Products**
30.01 – 30.03	A change to heading 30.01 through 30.03 from any other heading.
30.04	A change to heading 30.04 from any other heading except from

	3003.
30.05	A change to heading 30.05 from any other heading.
3006.10 – 3006.70	A change to subheading 3006.10 through 3006.70 from any other heading.
3006.80	A change to subheading 3006.80 from any other chapter.
Chapter 31	**Fertilizers**
31.01 – 31.04	A change to heading 31.01 through 31.04 from any other heading.
31.05	A change to heading 31.05 from any other heading except from 31.02 through 31.04.
Chapter 32	**Tanning or Dyeing Extracts; Tannins and Their Derivatives; Dyes, Pigments and Other Colouring Matter; Paints and Varnishes; Putty and Other Mastics; Inks**
32.01 – 32.07	A change to heading 32.01 through 32.07 from any other heading.
32.08 – 32.10	A change to heading 32.08 through 32.10 from any other heading provided it has a regional value content of not less than 50%.
32.11 – 32.13	A change to heading 32.11 through 32.13 from any other heading.
32.14	A change to heading 32.14 from any other heading except from 3824.50.
32.15	A change to heading 32.15 from any other heading.
Chapter 33	**Essential Oils and Resinoids; Perfumery, Cosmetic or Toilet Preparations**
33.01 – 33.07	A change to heading 33.01 through 33.07 from any other heading.

Chapter 34	**Soap, Organic Surface-active Agents, Washing Preparations, Lubricating Preparations, Artificial Waxes, Prepared Waxes, Polishing or Scouring Preparations, Candles and Similar Articles, Modelling Pastes, Dental Waxes and Dental Preparations with a Basis of Plaster**
3401.11 – 3401.20	A change to subheading 3401.11 through 3401.20 from any other heading.
3401.30	A change to subheading 3401.30 from any other heading except from 3402.90.
34.02 – 34.07	A change to heading 34.02 through 34.07 from any other heading.
Chapter 35	**Albuminoidal Substances; Modified Starches; Glues, Enzymes**
35.01 - 35.04	A change to heading 35.01 through 35.04 from any other heading.
35.05	A change to heading 35.05 from any other heading except from 11.08.
3506.10	A change to subheading 3506.10 from any other heading except from 35.01, 35.03 and 35.05.
3506.91	A change to subheading 3506.91 from any other heading provided it has a regional value content of not less than 55%.
3506.99	A change to subheading 3506.99 from any other heading.
35.07	A change to heading 35.07 from any other heading.
Chapter 36	**Explosives; Pyrotechnic Products; Matches; Pyrophoric Alloys; Certain Combustible Preparations**
36.01 – 36.05	A change to heading 36.01 through 36.05 from any other heading.

3606.10	A change to subheading 3606.10 from any other heading except from 2711.11 through 2711.19.
3606.90	A change to subheading 3606.90 from any other heading.
Chapter 37	**Photographic or Cinematographic Goods**
37.01	A change to heading 37.01 from any other heading except from 37.02.
37.02	A change to heading 37.02 from any other heading except from 37.01.
37.03 – 37.04	A change to heading 37.03 through 37.04 from any other heading.
37.05	A change to heading 37.05 from any other heading except from 37.06.
37.06	A change to heading 37.06 from any other heading except from 37.05.
37.07	A change to heading 37.07 from any other heading.
Chapter 38	**Miscellaneous Chemical Products**
38.01 – 38.08	A change to heading 38.01 through 38.08 from any other heading.
3809.10	A change to subheading 3809.10 from any other heading except from 35.05.
3809.91 – 3809.93	A change to subheading 3809.91 through 3809.93 from any other heading.
38.10 – 38.13	A change to heading 38.10 through 38.13 from any other heading.
38.14	A change to heading 38.14 from any other heading provided it has a regional value content of not less than 55%.
38.15 – 38.19	A change to heading 38.15 through 38.19 from any other heading.

38.20 – 38.21	A change to heading 38.20 through 38.21 from any other heading provided it has a regional value content of not less than 55%.
38.22 – 38.24	A change to heading 38.22 through 38.24 from any other heading.
3825.10 – 3825.69	A change to subheading 3825.10 through 3825.69 from any other chapter except from Chapters 28 through 38, 40 and 90.
3825.90	A change to subheading 3825.90 from any other chapter except from Chapters 28 through 38.

Section VII – Plastics and Articles Thereof; Rubber and Articles Thereof

Chapter 39	**Plastics and Articles Thereof**
39.01 – 39.13	A change to heading 39.01 through 39.13 from any other heading.
39.14 – 39.21	A change to heading 39.14 through 39.21 from any other heading provided it has a regional value content of not less than 45%.
39.22 – 39.26	A change to heading 39.22 through 39.26 from any other heading.

Chapter 40	**Rubber and Articles Thereof**
40.01	A change to heading 40.01 from any other chapter.
40.02	A change to heading 40.02 from any other heading except from Chapter 29.
40.03 – 40.11	A change to heading 40.03 through 40.11 from any other heading.
4012.11 - 4012.19	A change to subheading 4012.11 through 4012.19 from any other heading.

4012.20 - 4012.90	A change to subheading 4012.20 through 4012.90 from any other heading except from 40.11.
40.13 – 40.17	A change to heading 40.13 through 40.17 from any other heading.

Section VIII – Raw Hides and Skins, Leather, Furskins and Articles Thereof; Saddlery and Harness; Travel Goods, Handbags and Similar Containers; Articles of Animal Gut (Other than Silk-worm Gut)

Chapter 41	**Raw Hides and Skins (Other than Furskins) and Leather**
41.01 – 41.03	A change to heading 41.01 through 41.03 from any other chapter except from Chapter 1.
41.04 – 41.15	A change to heading 41.04 through 41.15 from any other heading.
Chapter 42	**Articles of Leather; Saddlery and Harness; Travel Goods, Handbags and Similar Containers; Articles of Animal Gut (Other than Silk-worm Gut)**
42.01 – 42.06	A change to heading 42.01 through 42.06 from any other heading.
Chapter 43	**Furskins and Artificial Fur; Manufactures Thereof**
43.01	A change to heading 43.01 from any other heading except from Chapter 1.
43.02 – 43.04	A change to heading 43.02 through 43.04 from any other heading.

Section IX – Wood and Articles of Wood; Wood Charcoal; Cork and Articles of Cork; Manufactures of Straw, of Esparto or of Other Plaiting Materials; Basketware and Wickerwork

Chapter 44	**Wood and Articles of Wood; Wood Charcoal**

44.01 – 44.03	A change to heading 44.01 through 44.03 from any other heading.
44.04 – 44.08	A change to heading 44.04 through 44.08 from any other heading except from 44.01 or 44.03.
44.09 – 44.13	A change to heading 44.09 through 44.13 from any other heading.
44.14	A change to heading 44.14 from any other heading except from 44.09.
44.15 – 44.21	A change to heading 44.15 through 44.21 from any other heading.
Chapter 45	**Cork and Articles of Cork**
45.01	A change to heading 45.01from any other heading.
45.02	A change to heading 45.02 from any other heading except from 45.01.
45.03	A change to heading 45.03 from any other heading except from 45.02.
45.04	A change to heading 45.04 from any other heading.
Chapter 46	**Manufactures of Straw, of Esparto or of Other Plaiting Materials; Basketware and Wickerwork**
46.01 – 46.02	A change to heading 46.01 through 46.02 from any other heading.

Section X – Pulp of Wood or of Other Fibrous Cellulosic Material; Recovered (Waste and Scrap) Paper or Paperboard; Paper and Paperboard and Articles Thereof

Chapter 47	**Pulp of Wood or of Other Fibrous Cellulosic Material; Recovered (Waste and Scrap) Paper or Paperboard**

47.01 – 47.07	A change to heading 47.01 through 47.07 from any other heading.
Chapter 48	**Paper and Paperboard; Articles of Paper Pulp, of Paper or of Paperboard**
48.01 – 48.15	A change to heading 48.01 through 48.15 from any other heading.
48.16	A change to heading 48.16 from any other heading except from 48.09.
48.17 – 48.23	A change to heading 48.17 through 48.23 from any other heading.
Chapter 49	**Printed Books, Newspapers, Pictures and Other Products of the Printing Industry; Manuscripts, Typescripts and Plans**
49.01 – 49.11	A change to heading 49.01 through 49.11 from any other heading.

Section XI – Textiles and Textile Articles

Chapter 50	**Silk**
50.01 – 50.03	A change to heading 50.01 through 50.03 from any other chapter.
50.04 – 50.05	A change to heading 50.04 through 50.05 from any other heading except from 50.06.
50.06	A change to heading 50.06 from any other heading except from 50.04 through 50.05.
50.07	A change to heading 50.07 from any other heading.
Chapter 51	**Wool, Fine or Coarse Animal Hair; Horsehair Yarn and Woven Fabric**
51.01 – 51.05	A change to heading 51.01 through 51.05 from any other chapter.

51.06 – 51.08	A change to heading 51.06 through 51.08 from any other heading except from 51.09.
51.09	A change to heading 51.09 from any other heading except from 51.06 through 51.08.
51.10 – 51.13	A change to heading 51.10 through 51.13 from any other heading.
Chapter 52	**Cotton**
52.01 – 52.07	A change to heading 52.01 through 52.07 from any other chapter.
52.08 – 52.12	A change to heading 52.08 through 52.12 from any other heading.
Chapter 53	**Other Vegetable Textile Fibres; Paper Yarn and Woven Fabrics of Paper Yarn**
53.01 – 53.05	A change to heading 53.01 through 53.05 from any other chapter.
53.06 – 53.11	A change to heading 53.06 through 53.11 from any other heading.
Chapter 54	**Man-Made Filaments**
54.01 – 54.06	A change to heading 54.01 through 54.06 from any other chapter.
54.07 – 54.08	A change to heading 54.07 through 54.08 from any other heading.
Chapter 55	**Man-Made Staple Fibres**
55.01 – 55.16	A change to heading 55.01 through 55.16 from any other heading.
Chapter 56	**Wadding, Felt and Nonwovens; Special Yarns; Twine, Cordage, Ropes and Cables and Articles Thereof**
56.01 - 56.09	A change to heading 56.01 through 56.09 from any other heading.

Chapter 57	**Carpets and Other Textile Floor Coverings**
57.01 – 57.05	A change to heading 57.01 through 57.05 from any other heading.
Chapter 58	**Special Woven Fabrics; Tufted Textile Fabrics; Lace; Tapestries; Trimmings; Embroidery**
58.01 – 58.11	A change to heading 58.01 through 58.11 from any other heading.
Chapter 59	**Impregnated, Coated, Covered or Laminated Textile Fabrics; Textile Articles of a Kind Suitable For Industrial Use**
59.01 – 59.11	A change to heading 59.01 through 59.11 from any other heading.
Chapter 60	**Knitted or Crocheted Fabrics**
60.01	A change to heading 60.01 from any other heading.
60.02	A change to heading 60.02 from any other heading except from 60.04.
60.03	A change to heading 60.03 from any other heading except from 60.05 through 60.06.
60.04 - 60.06	A change to heading 60.04 through 60.06 from any other heading.
Chapter 61	**Articles of Apparel and Clothing Accessories, Knitted or Crocheted**
61.01 – 61.14	A change to heading 61.01 through 61.14 from any other chapter provided that the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or both of the Parties.
61.15 - 61.17	A change to heading 61.15 through 61.17 from any other chapter except from chapter 60 provided that the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or both of the Parties.

Chapter 62	**Articles of Apparel and Clothing Accessories, Not Knitted or Crocheted**
62.01 – 62.12	A change to heading 62.01 through 62.12 from any other chapter provided that the good is both cut and sewn or otherwise assembled in the territory of one or both of the Parties.
62.13 - 62.17	A change to heading 62.13 through 62.17 from any other chapter except from 50.07, 51.11 through 51.13, 52.08 through 52.12, 53.09 through 53.11, 54.07 through 54.08, 55.12 through 55.16, 58.01 through 58.02, 59.03, 59.06 through 59.07, provided that the good is both cut and sewn or otherwise assembled in the territory of one or both of the Parties.
Chapter 63	**Other Made Up Textile Articles; Sets; Worn Clothing and Worn Textile Articles; Rags**
63.01 - 63.02	A change to heading 63.01 through 63.02 from any other chapter except from 50.07, 51.11 through 51.13, 52.08 through 52.12, 53.09 through 53.11, 54.07 through 54.08, 55.12 through 55.16, 58.01 through 58.02, 59.03, 59.06 through 59.07, Chapter 60, provided that the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or both of the Parties.
63.03 – 63.04	A change to heading 63.03 through 63.04 from any other chapter provided that the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or both of the Parties.
63.05	A change to heading 63.05 from any other chapter except from 50.07, 51.11 through 51.13, 52.08 through 52.12, 53.09 through 53.11, 54.07 through 54.08, 55.12 through 55.16, 58.01 through 58.02, 59.03, 59.06 through 59.07, Chapter 60, provided that the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or both of the Parties.
63.06	A change to heading 63.06 from any other chapter provided that the good is both cut (or knit to shape) and sewn or otherwise assembled

	in the territory of one or both of the Parties.
6307.10	A change to subheading 6307.10 from any other chapter except from 50.07, 51.11 through 51.13, 52.08 through 52.12, 53.09 through 53.11, 54.07 through 54.08, 55.12 through 55.16, 58.01 through 58.02, 59.03, 59.06 through 59.07, Chapter 60, provided that the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or both of the Parties.
6307.20	A change to subheading 6307.20 from any other chapter provided that the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or both of the Parties.
6307.90	A change to subheading 6307.90 from any other chapter except from 50.07, 51.11 through 51.13, 52.08 through 52.12, 53.09 through 53.11, 54.07 through 54.08, 55.12 through 55.16, 58.01 through 58.02, 59.03, 59.06 through 59.07, Chapter 60, provided that the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or both of the Parties.
63.08	A change to heading 63.08 from any other chapter provided that the good is both cut (or knit to shape) and sewn or otherwise assembled in the territory of one or both of the Parties.
63.09	A change to heading 63.09 from any other chapter except from Chapters 61 through 62.
63.10	A change to heading 63.10 from any other chapter.

Section XII – Footwear, Headgear, Umbrellas, Sun Umbrellas, Walking-Sticks, Seat-Sticks, Whips, Riding-Crops and Parts Thereof; Prepared Feathers and Articles Made Therewith; Artificial Flowers; Articles of Human Hair

Chapter 64	**Footwear, Gaiters and the Like; Parts of Such Articles**
64.01 – 64.06	A change to heading 64.01 through 64.06 from any other heading.

Chapter 65	**Headgear and Parts Thereof**
65.01 – 65.02	A change to heading 65.01 through 65.02 from any other heading.
65.03	A change to heading 65.03 from any other heading except from 65.01.
65.04	A change to heading 65.04 from any other heading except from 65.02.
65.05 – 65.07	A change to heading 65.05 through 65.07 from any other heading.
Chapter 66	**Umbrellas, Sun Umbrellas, Walking-Sticks, Seat-Sticks, Whips, Riding-Crops and Parts Thereof**
66.01 – 66.02	A change to heading 66.01 through 66.02 from any other heading except from 66.03.
66.03	A change to heading 66.03 from any other heading.
Chapter 67	**Prepared Feathers and Down and Articles Made of Feathers or of Down; Artificial Flowers; Articles of Human Hair**
67.01 – 67.04	A change to heading 67.01 through 67.04 from any other heading.

Section XIII – Articles of Stone, Plaster, Cement, Asbestos, Mica or Similar Materials; Ceramic Products; Glass and Glassware

Chapter 68	**Articles of Stone, Plaster, Cement, Asbestos, Mica or Similar Materials**
68.01 – 68.15	A change to heading 68.01 through 68.15 from any other heading.
Chapter 69	**Ceramic Products**

69.01 – 69.14	A change to heading 69.01 through 69.14 from any other chapter.
Chapter 70	**Glass and Glassware**
70.01 - 70.05	A change to heading 70.01 through 70.05 from any other heading.
70.06	A change to heading 70.06 from any other heading except from 70.03 through 70.05.
70.07 - 70.09	A change to heading 70.07 through 70.09 from any other heading except from 70.03 through 70.06.
70.10 - 70.20	A change to heading 70.10 through 70.20 from any other heading.

Section XIV – Natural or Cultured Pearls, Precious or Semi-Precious Stones, Precious Metals, Metals Clad with Precious Metal and Articles Thereof; Imitation Jewellery; Coin

Chapter 71	**Natural or Cultured Pearls, Precious or Semi-Precious Stones, Precious Metals, Metals Clad with Precious Metal and Articles Thereof; Imitation Jewellery; Coin**
71.01 – 71.12	A change to heading 71.01 through 71.12 from any other chapter.
71.13 – 71.18	A change to heading 71.13 through 71.18 from any other heading.
Chapter 72	**Iron and Steel**
72.01 – 72.29	A change to heading 72.01 through 72.29 from any other heading.
Chapter 73	**Articles of Iron or Steel**
73.01 – 73.15	A change to heading 73.01 through 73.15 from any other heading.
73.16	A change to heading 73.16 from any other heading except from 73.12 or 73.15

73.17 - 73.26	A change to heading 73.17 through 73.26 from any other heading.
Chapter 74	**Copper and Articles Thereof**
74.01 - 74.07	A change to heading 74.01 through 74.07 from any other heading.
74.08 – 74.09	A change to heading 74.08 through 74.09 from any other heading except from 74.07 or a change to heading 74.08 through 74.09 from any other heading provided it has a regional value content of not less than 50%.
74.10	A change to heading 74.10 from any other heading except from 74.09.
74.11 – 74.19	A change to heading 74.11 through 74.19 from any other heading.
Chapter 75	**Nickel and Articles Thereof**
75.01 – 75.08	A change to heading 75.01 through 75.08 from any other heading.
Chapter 76	**Aluminium and Articles Thereof**
76.01 – 76.16	A change to heading 76.01 through 76.16 from any other heading.
Chapter 78	**Lead and Articles Thereof**
78.01 – 78.06	A change to heading 78.01 through 78.06 from any other heading.
Chapter 79	**Zinc and Articles Thereof**
79.01 – 79.07	A change to heading 79.01 through 79.07 from any other heading.
Chapter 80	**Tin and Articles Thereof**
80.01 – 80.07	A change to heading 80.01 through 80.07 from any other heading.
Chapter 81	**Other Base Metals; Cermets; Articles Thereof**

81.01 – 81.13	A change to heading 81.01 through 81.13 from any other heading.
Chapter 82	**Tools, Implements, Cutlery, Spoons and Forks, of Base Metal; Parts Thereof of Base Metal**
82.01 – 82.15	A change to heading 82.01 through 82.15 from any other chapter.
Chapter 83	**Miscellaneous Articles of Base Metal**
83.01 – 83.11	A change to heading 83.01 through 83.11 from any other heading.

Section XVI – Machinery and Mechanical Appliances; Electrical Equipment; Parts Thereof; Sound Recorders and Reproducers, Television Image and Sound Recorders and Reproducers, and Parts and Accessories of Such Articles

Chapter 84	**Nuclear Reactors, Boilers, Machinery and Mechanical Appliances; Parts Thereof**
8401.10 – 8401.30	Production in which the regional value content is not less than 50%.
8401.40	A change to subheading 8401.40 from any other heading.
84.02 – 84.03	A change to heading 84.02 through 84.03 from any other heading or a change to heading 84.02 through 84.03 from any other subheading provided it has a regional value content of not less than 45%.
8404.10 - 8404.20	A change to subheading 8404.10 through 8404.20 from any other heading or a change to subheading 8404.10 through 8404.20 from any other subheading provided it has a regional value content of not less than 50%.
8404.90	A change to subheading 8404.90 from any other heading.
8405.10	A change to subheading 8405.10 from any other heading or a change

	to subheading 8405.10 from any other subheading provided it has a regional value content of not less than 50%.
8405.90	A change to subheading 8405.90 from any other heading.
8406.10 – 8406.82	A change to subheading 8406.10 through 8406.82 from any other subheading provided it has a regional value content of not less than 50%.
8406.90	A change to subheading 8406.90 from any other heading.
8407.10 – 8407.21	Production in which the regional value content is not less than 50%.
8407.29 – 8407.90	A change to subheading 8407.29 through 8407.90 from any other heading provided it has a regional value content of not less than 50%.
84.08	A change to heading 84.08 from any other heading provided it has a regional value content of not less than 50%.
8409.10	A change to subheading 8409.10 from any other heading.
8409.91 – 8409.99	A change to subheading 8409.91 through 8409.99 from any other heading provided it has a regional value content of not less than 50%.
8410.11	A change to subheading 8410.11 from any other heading or a change to subheading 8410.11 from any other subheading provided it has a regional value content of not less than 45%.
8410.12 – 8410.13	A change to subheading 8410.12 through 8410.13 from any other subheading.
8410.90	A change to subheading 8410.90 from any other heading.
8411.11 - 8411.82	A change to subheading 8411.11 through 8411.82 from any other heading or a change to subheading 8411.11 through 8411.82 from any other subheading provided it has a regional value content of not less than 50%.

8411.91 – 8411.99	A change to subheading 8411.91 through 8411.99 from any other heading provided it has a regional value content of not less than 50%.
8412.10 – 8412.80	A change to subheading 8412.10 through 8412.80 from any other heading or a change to subheading 8412.10 through 8412.80 from any other subheading provided it has a regional value content of not less than 50%.
8412.90	A change to subheading 8412.90 from any other heading.
8413.11 – 8413.82	A change to subheading 8413.11 through 8413.82 from any other heading or a change to subheading 8413.11 through 8413.82 from any other subheading provided it has a regional value content of not less than 50%.
8413.91 – 8413.92	A change to subheading 8413.91 through 8413.92 from any other heading.
8414.10 – 8414.80	A change to subheading 8414.10 through 8414.80 from any other heading or a change to subheading 8414.10 through 8414.80 from any other subheading provided it has a regional value content of not less than 50%.
8414.90	A change to subheading 8414.90 from any other heading.
8415.10 – 8415.83	A change to subheading 8415.10 through 8415.83 from any other heading or a change to subheading 8415.10 through 8415.83 from any other subheading provided it has a regional value content of not less than 50%.
8415.90	A change to subheading 8415.90 from any other heading.
8416.10 – 8416.30	A change to subheading 8416.10 through 8416.30 from any other heading or a change to subheading 8416.10 through 8416.30 from any other subheading provided it has a regional value content of not less than 45%.
8416.90	A change to subheading 8416.90 from any other heading.

8417.10 – 8417.80	A change to subheading 8417.10 through 8417.80 from any other heading or a change to subheading 8417.10 through 8417.80 from any other subheading provided it has a regional value content of not less than 45%.
8417.90	A change to subheading 8417.90 from any other heading.
8418.10 – 8418.69	A change to subheading 8418.10 through 8418.69 from any other heading or a change to subheading 8418.10 through 8418.69 from any other subheading provided it has a regional value content of not less than 50%.
8418.91 – 8418.99	A change to subheading 8418.91 through 8418.99 from any other heading.
8419.11 – 8419.89	A change to subheading 8419.11 through 8419.89 from any other heading or a change to subheading 8419.11 through 8419.89 from any other subheading provided it has a regional value content of not less than 50%.
8419.90	A change to subheading 8419.90 from any other heading.
8420.10	A change to subheading 8420.10 from any other heading or a change to subheading 8420.10 from any other subheading provided it has a regional value content of not less than 45%.
8420.91 – 8420.99	A change to subheading 8420.91 through 8420.99 from any other heading.
8421.11 – 8421.39	A change to subheading 8421.11 through 8421.39 from any other heading or a change to subheading 8421.11 through 8421.39 from any other subheading provided it has a regional value content of not less than 50%.
8421.91 – 8421.99	A change to subheading 8421.91 through 8421.99 from any other heading.

8422.11 – 8422.40	A change to subheading 8422.11 through 8422.40 from any other heading or a change to subheading 8422.11 through 8422.40 from any other subheading provided it has a regional value content of not less than 50%.
8422.90	A change to subheading 8422.90 from any other heading.
8423.10 – 8423.89	A change to subheading 8423.10 through 8423.89 from any other heading or a change to subheading 8423.10 through 8423.89 from any other subheading provided it has a regional value content of not less than 50%.
8423.90	A change to subheading 8423.90 from any other heading.
8424.10 – 8424.89	A change to subheading 8424.10 through 8424.89 from any other heading or a change to subheading 8424.10 through 8424.89 from any other subheading provided it has a regional value content of not less than 50%.
8424.90	A change to subheading 8424.90 from any other heading.
84.25 – 84.26	Production in which the regional value content is not less than 50%.
84.27	A change to heading 84.27 from any other heading except from heading 84.31 or a change to heading 84.27 from any other heading provided it has a regional value content of not less than 50%.
84.28 – 84.31	A change to heading 84.28 through 84.31 from any other heading.
8432.10 – 8432.80	A change to subheading 8432.10 through 8432.80 from any other subheading.
8432.90	A change to subheading 8432.90 from any other heading.
8433.11 – 8433.60	A change to subheading 8433.11 through 8433.60 from any other subheading.

8433.90	A change to subheading 8433.90 from any other heading.
8434.10 – 8434.20	A change to subheading 8434.10 through 8434.20 from any other subheading.
8434.90	A change to subheading 8434.90 from any other heading.
8435.10	A change to subheading 8435.10 from any other heading or a change to subheading 8435.10 from any other subheading provided it has a regional value content of not less than 45%.
8435.90	A change to subheading 8435.90 from any other heading.
8436.10 – 8436.80	A change to subheading 8436.10 through 8436.80 from any other heading or a change to subheading 8436.10 through 8436.80 from any other subheading provided it has a regional value content of not less than 45%.
8436.91 – 8436.99	A change to subheading 8436.91 through 8436.99 from any other heading.
8437.10 – 8437.80	A change to subheading 8437.10 through 8437.80 from any other heading or a change to subheading 8437.10 through 8437.80 from any other subheading provided it has a regional value content of not less than 45%.
8437.90	A change to subheading 8437.90 from any other heading.
8438.10 – 8438.80	A change to subheading 8438.10 through 8438.80 from any other heading or a change to subheading 8438.10 through 8438.80 from any other subheading provided it has a regional value content of not less than 50%.
8438.90	A change to subheading 8438.90 from any other heading.
8439.10 – 8439.30	A change to subheading 8439.10 through 8439.30 from any other heading or a change to subheading 8439.10 through 8439.30 from

	any other subheading provided it has a regional value content of not less than 50%.
8439.91 – 8439.99	A change to subheading 8439.91 through 8439.99 from any other heading.
8440.10	A change to subheading 8440.10 from any other heading or a change to subheading 8440.10 from any other subheading provided it has a regional value content of not less than 50%.
8440.90	A change to subheading 8440.90 from any other heading.
8441.10 – 8441.80	A change to subheading 8441.10 through 8441.80 from any other heading or a change to subheading 8441.10 through 8441.80 from any other subheading provided it has a regional value content of not less than 50%.
8441.90	A change to subheading 8441.90 from any other heading.
8442.10 – 8442.30	A change to subheading 8442.10 through 8442.30 from any other heading or a change to 8442.10 through 8442.30 from any other subheading provided it has a regional value content of not less than 50%.
8442.40 - 8442.50	A change to subheading 8442.40 through 8442.50 from any other heading.
8443.11 – 8443.59	A change to subheading 8443.11 through 8443.59 from any other heading or a change to subheading 8443.11 through 8443.59 from any other subheading provided it has a regional value content of not less than 50%.
8443.60	A change to subheading 8443.60 from any other heading or a change to subheading 8443.60 from any other subheading provided it has a regional value content of not less than 50%.
8443.90	A change to subheading 8443.90 from any other heading.

84.44 – 84.47	A change to heading 84.44 through 84.47 from any other heading provided it has a regional value content of not less than 45%.
8448.11 – 8448.19	A change to subheading 8448.11 through 8448.19 from any other heading or a change to subheading 8448.11 through 8448.19 from any other subheading provided it has a regional value content of not less than 45%.
8448.20 – 8448.59	A change to subheading 8448.20 through 8448.59 from any other heading.
84.49	A change to heading 84.49 from any other heading.
8450.11 – 8450.20	A change to subheading 8450.11 through 8450.20 from any other heading or a change to subheading 8450.11 through 8450.20 from any other subheading provided it has a regional value content of not less than 50%.
8450.90	A change to subheading 8450.90 from any other heading.
8451.10 – 8451.80	A change to subheading 8451.10 through 8451.80 from any other heading or a change to subheading 8451.10 through 8451.80 from any other subheading provided it has a regional value content of not less than 50%.
8451.90	A change to subheading 8451.90 from any other heading.
8452.10 – 8452.30	A change to subheading 8452.10 through 8452.30 from any other heading or a change to subheading 8452.10 through 8452.30 from any other subheading provided it has a regional value content of not less than 50%.
8452.40 – 8452.90	A change to subheading 8452.40 through 8452.90 from any other heading.
8453.10 – 8453.80	A change to subheading 8453.10 through 8453.80 from any other

	heading or a change to subheading 8453.10 through 8453.80 from any other subheading provided it has a regional value content of not less than 45%.
8453.90	A change to subheading 8453.90 from any other heading.
8454.10 – 8454.30	A change to subheading 8454.10 through 8454.30 from any other heading or a change to subheading 8454.10 through 8454.30 from any other subheading provided it has a regional value content of not less than 45%.
8454.90	A change to subheading 8454.90 from any other heading.
8455.10 - 8455.30	A change to subheading 8455.10 through 8455.30 from any other heading or a change to subheading 8455.10 through 8455.30 from any other subheading provided it has a regional value content of not less than 45%.
8455.90	A change to subheading 8455.90 from any other heading.
8456.10 – 8456.30	A change to subheading 8456.10 through 8456.30 from any other heading provided it has a regional value content of not less than 50%.
8456.91 – 8456.99	A change to subheading 8456.91 through 8456.99 from any other heading provided it has a regional value content of not less than 45%.
84.57 – 84.63	A change to heading 84.57 through 84.63 from any other heading provided it has a regional value content of not less than 50%.
84.64	A change to heading 84.64 from any other heading except from 8466.91 or a change to heading 84.64 from any other heading provided it has a regional value content of not less than 50%.
84.65	A change to heading 84.65 from any other heading except from 8466.92 or a change to heading 84.65 from any other heading provided it has a regional value content of not less than 50%.

84.66	A change to heading 84.66 from any other heading.
8467.11 – 8467.89	A change to subheading 8467.11 through 8467.89 from any other heading or a change to subheading 8467.11 through 8467.89 from any other subheading provided it has a regional value content of not less than 50%.
8467.91 – 8467.99	A change to subheading 8467.91 through 8467.99 from any other heading.
8468.10 – 8468.80	A change to subheading 8468.10 through 8468.80 from any other heading or a change to subheading 8468.10 through 8468.80 from any other subheading provided it has a regional value content of not less than 45%.
8468.90	A change to subheading 8468.90 from any other heading.
84.69	A change to heading 84.69 from any other heading except from 84.73 or a change to heading 84.69 from any other heading provided it has a regional value content of not less than 45%.
84.70 – 84.71	A change to heading 84.70 through 84.71from any other subheading.
84.72 – 84.73	A change to heading 84.72 through 84.73 from any other heading provided it has a regional value content of not less than 50%.
8474.10 – 8474.80	A change to subheading 8474.10 through 8474.80 from any other subheading.
8474.90	A change to subheading 8474.90 from any other heading.
8475.10 – 8475.29	A change to subheading 8475.10 through 8475.29 from any other heading or a change to subheading 8475.10 through 8475.29 from any other subheading provided it has a regional value content of not less than 50%.
8475.90	A change to subheading 8475.90 from any other heading.

8476.21 – 8476.89	A change to subheading 8476.21 through 8476.89 from any other heading or a change to subheading 8476.21 through 8476.89 from any other subheading provided it has a regional value content of not less than 50%.
8476.90	A change to subheading 8476.90 from any other heading.
8477.10 – 8477.80	A change to subheading 8477.10 through 8477.80 from any other heading or a change to subheading 8477.10 through 8477.80 from any other subheading provided it has a regional value content of not less than 50%.
8477.90	A change to subheading 8477.90 from any other heading.
8478.10	A change to subheading 8478.10 from any other heading or a change to subheading 8478.10 from any other subheading provided it has a regional value content of not less than 45%.
8478.90	A change to subheading 8478.90 from any other heading.
8479.10	A change to subheading 8479.10 from any other heading or a change to subheading 8479.10 from any other subheading provided it has a regional value content of not less than 45%.
8479.20 – 8479.82	A change to subheading 8479.20 through 8479.82 from any other heading or a change to subheading 8479.20 through 8479.82 from any other subheading provided it has a regional value content of not less than 50%.
8479.89	A change to subheading 8479.89 from any other subheading provided it has a regional value content of not less than 50%.
8479.90	A change to subheading 8479.90 from any other heading provided it has a regional value content of not less than 50%.
84.80	A change to heading 84.80 from any other heading.

8481.10	A change to subheading 8481.10 from any other heading or a change to subheading 8481.10 from any other subheading provided it has a regional value content of not less than 50%.
8481.20	A change to subheading 8481.20 from any other heading or a change to subheading 8481.20 from any other subheading provided it has a regional value content of not less than 45%.
8481.30 – 8481.80	A change to subheading 8481.30 through 8481.80 from any other heading or a change to subheading 8481.30 through 8481.80 from any other subheading provided it has a regional value content of not less than 50%.
8481.90	A change to subheading 8481.90 from any other heading.
8482.10 – 8482.99	A change to subheading 8482.10 through 8482.99 from any other heading.
8483.10 – 8483.60	A change to subheading 8483.10 through 8483.60 from any other subheading provided it has a regional value content of not less than 50%.
8483.90	A change to subheading 8483.90 from any other heading provided it has a regional value content of not less than 45%.
84.84	A change to heading 84.84 from any other heading.
8485.10	A change to subheading 8485.10 from any other heading.
8485.90	A change to subheading 8485.90 from any other heading provided it has a regional value content of not less than 50%.
Chapter 85	**Electrical Machinery and Equipment and Parts Thereof; Sound Recorders and Reproducers, Television Image and Sound Recorders and Reproducers, and Parts and Accessories of Such Articles**

8501.10 - 8501.63	A change to subheading 8501.10 through 8501.63 from any other heading except from 85.03 or a change to subheading 8501.10 through 8501.63 from any other heading provided it has a regional value content of not less than 50%.
8501.64	A change to subheading 8501.64 from any other heading except from 85.03 or a change to subheading 8501.64 from any other heading provided it has a regional value content of not less than 45%.
85.02	A change to heading 85.02 from any other heading except from 85.03 or a change to heading 85.02 from any other heading provided it has a regional value content of not less than 50%.
85.03	A change to heading 85.03 from any other heading.
8504.10 – 8504.50	A change to subheading 8504.10 through 8504.50 from any other heading or a change to subheading 8504.10 through 8504.50 from any other subheading provided it has a regional value content of not less than 50%.
8504.90	A change to subheading 8504.90 from any other heading.
8505.11 – 8505.30	A change to subheading 8505.11 through 8505.30 from any other heading or a change to subheading 8505.11 through 8505.30 from any other subheading provided it has a regional value content of not less than 50%.
8505.90	A change to subheading 8505.90 from any other heading.
8506.10	A change to subheading 8506.10 from any other heading.
8506.30 – 8506.80	A change to subheading 8506.30 through 8506.80 from any other heading or a change to subheading 8506.30 through 8506.80 from any other subheading provided it has a regional value content of not less than 50%.

8506.90	A change to subheading 8506.90 from any other heading or a regional value content of not less than 50%.
8507.10 – 8507.40	A change to subheading 8507.10 through 8507.40 from any other heading.
8507.80	A change to subheading 8507.80 from any other heading or a change to subheading 8507.80 from any other subheading provided it has a regional value content of not less than 50%.
8507.90	A change to subheading 8507.90 from any other heading.
8509.10 – 8509.80	A change to subheading 8509.10 through 8509.80 from any other heading or a change to subheading 8509.10 through 8509.80 from any other subheading provided it has a regional value content of not less than 50%.
8509.90	A change to subheading 8509.90 from any other heading.
8510.10 – 8510.30	A change to subheading 8510.10 through 8510.30 from any other heading or a change to subheading 8510.10 through 8510.30 from any other subheading provided it has a regional value content of not less than 50%.
8510.90	A change to subheading 8510.90 from any other heading.
8511.10 – 8511.50	A change to subheading 8511.10 through 8511.50 from any other subheading provided it has a regional value content of not less than 50%.
8511.80	A change to subheading 8511.80 from any other heading.
8511.90	A change to subheading 8511.90 from any other heading provided it has a regional value content of not less than 50%.
8512.10 – 8512.40	A change to subheading 8512.10 through 8512.40 from any other subheading provided it has a regional value content of not less than

	50%.
8512.90	A change to subheading 8512.90 from any other heading provided it has a regional value content of not less than 50%.
8513.10	A change to subheading 8513.10 from any other heading or a change to subheading 8513.10 from any other subheading provided it has a regional value content of not less than 50%.
8513.90	A change to subheading 8513.90 from any other heading.
8514.10 – 8514.30	A change to subheading 8514.10 through 8514.30 from any other heading or a change to subheading 8514.10 through 8514.30 from any other subheading provided it has a regional value content of not less than 45%.
8514.40	A change to subheading 8514.40 from any other heading or a change to subheading 8514.40 from any other subheading provided it has a regional value content of not less than 50%.
8514.90	A change to subheading 8514.90 from any other heading.
8515.11 – 8515.80	A change to subheading 8515.11 through 8515.80 from any other heading or a change to subheading 8515.11 through 8515.80 from any other subheading provided it has a regional value content of not less than 50%.
8515.90	A change to subheading 8515.90 from any other heading or a change to subheading 8515.90 from any other subheading provided it has a regional value content of not less than 50%.
8516.10 – 8516.29	A change to subheading 8516.10 through 8516.29 from any other heading or a change to subheading 8516.10 through 8516.29 from any other subheading provided it has a regional value content of not less than 50%.
8516.31 - 8516.79	A change to subheading 8516.31 through 8516.79 from any other heading or a change to subheading 8516.31 through 8516.79 from any other subheading except from 8516.80 provided it has a regional value content of not less than 50%.

8516.80	A change to subheading 8516.80 from any other heading or a change to subheading 8516.80 from any other subheading provided it has a regional value content of not less than 50%.
8516.90	A change to subheading 8516.90 from any other heading.
8517.11	A change to subheading 8517.11 from any other heading.
8517.19 - 8517.90	A change to subheading 8517.19 through 8517.90 from any other subheading.
8518.10 – 8518.50	A change to subheading 8518.10 through 8518.50 from any other heading or a change to subheading 8518.10 through 8518.50 from any other subheading provided it has a regional value content of not less than 50%.
8518.90	A change to subheading 8518.90 from any other heading.
85.19 – 85.21	A change to heading 85.19 through 85.21 from any other heading provided it has a regional value content of not less than 50%.
85.22 – 85.24	A change to heading 85.22 through 85.24 from any other heading.
8525.10 – 8525.30	A change to subheading 8525.10 through 8525.30 from any other heading provided it has a regional value content of not less than 50%.
8525.40	A change to subheading 8525.40 from any other heading except from 85.29.
85.26	A change to heading 85.26 from any other heading provided it has a regional value content of not less than 45%.
85.27	A change to heading 85.27 from any other heading provided it has a regional value content of not less than 55%.
85.28	A change to heading 85.28 from any other heading provided it has a regional value content of not less than 50%.

85.29	A change to heading 85.29 from any other heading.
8530.10 – 8530.80	A change to subheading 8530.10 through 8530.80 from any other heading or a change to subheading 8530.10 through 8530.80 from any other subheading provided it has a regional value content of not less than 50%.
8530.90	A change to subheading 8530.90 from any other heading.
8531.10 – 8531.80	A change to subheading 8531.10 through 8531.80 from any other heading or a change to subheading 8531.10 through 8531.80 from any other subheading provided it has a regional value content of not less than 50%.
8531.90	A change to subheading 8531.90 from any other heading.
8532.10 – 8532.30	A change to subheading 8532.10 through 8532.30 from any other subheading.
8532.90	A change to subheading 8532.90 from any other heading.
85.33	A change to heading 85.33 from any other subheading.
85.34	A change to heading 85.34 from any other heading.
85.35 – 85..37	A change to heading 85.35 through 85.37 from any other heading except from 85.38 or a change to heading 85.35 through 85.37 from any other heading provided it has a regional value content of not less than 50%.
85.38	A change to heading 85.38 from any other heading.
8539.10 – 8539.49	A change to subheading 8539.10 through 8539.49 from any other heading or a change to subheading 8539.10 through 8539.49 from any other subheading provided it has a regional value content of not less than 50%.

8539.90	A change to subheading 8539.90 from any other heading.
8540.11 – 8540.12	A change to subheading 8540.11 through 8540.12 from any other heading or a change to subheading 8540.11 through 8540.12 from any other subheading provided it has a regional value content of not less than 45%.
8540.20 – 8540.89	A change to subheading 8540.20 through 8540.89 from any other heading or a change to subheading 8540.20 through 8540.89 from any other subheading provided it has a regional value content of not less than 50%.
8540.91 - 8540.99	A change to subheading 8540.91 through 8540.99 from any other heading.
85.41 – 85.42	A change to heading 85.41 through 85.42 from any other subheading.
8543.11 – 8543.89	A change to subheading 8543.11 through 8543.89 from any other heading or a change to subheading 8543.11 through 8543.89 from any other subheading provided it has a regional value content of not less than 50%.
8543.90	A change to subheading 8543.90 from any other heading.
8544.11– 8544.60	A change to subheading 8544.11 through 8544.60 from any other heading provided it has a regional value content of not less than 50%.
8544.70	A change to subheading 8544.70 from any other heading.
85.45 – 85.48	A change to heading 85.45 through 85.48 from any other heading.

Section XVII – Vehicles, Aircraft, Vessels and Associated Transport Equipment

Chapter 86	**Railway or Tramway, Locomotives, Rolling-Stock and Parts Thereof; Railway or Tramway Track Fixtures and Fittings and Parts Thereof; Mechanical (Including Electro-Mechanical) Traffic Signalling Equipment of all Kinds**

86.01 – 86.06	A change to heading 86.01 through 86.06 from any other heading.
8607.11 - 8607.12	A change to subheading 8607.11 through 8607.12 from any other heading.
8607.19 - 8607.99	A change to subheading 8607.19 through 8607.99 from any other heading provided it has a regional value content of not less than 50%.
86.08	A change to heading 86.08 from any other heading provided it has a regional value content of not less than 50%.
86.09	A change to heading 86.09 from any other heading.
Chapter 87	**Vehicles Other Than Railway or Tramway Rolling-Stock, and Parts and Accessories Thereof**
87.01 – 87.07	A change to heading 87.01 through 87.07 from any other heading provided it has a regional value content of not less than 55%.
8708.10 – 8708.94	A change to subheading 8708.10 through 8708.94 from any other heading provided it has a regional value content of not less than 50%.
8708.99	A change to subheading 8708.99 from any other heading provided it has a regional value content of not less than 55%.
87.09 – 87.10	A change to heading 87.09 through 87.10 from any other heading.
87.11 – 87.12	A change to heading 87.11 through 87.12 from any other heading provided it has a regional value content of not less than 50%.
87.13 – 87.15	A change to heading 87.13 through 87.15 from any other heading.
8716.10 – 8716.80	A change to subheading 8716.10 through 8716.80 from any other heading or a change to subheading 8716.10 through 8716.80 from

	any other subheading provided it has a regional value content of not less than 50%.
8716.90	A change to subheading 8716.90 from any other heading.
Chapter 88	**Aircraft, Spacecraft, and Parts Thereof**
8801.10	A change to subheading 8801.10 from any other subheading.
8801.90	A change to subheading 8801.90 from any other heading.
88.02 – 88.03	A change to heading 88.02 through 88.03 from any other subheading.
88.04 – 88.05	A change to heading 88.04 through 88.05 from any other heading.
Chapter 89	**Ships, Boats and Floating Structures**
89.01 – 89.06	A change to heading 89.01 through 89.06 from any other chapter.
89.07 – 89.08	A change to heading 89.07 through 89.08 from any other heading.

Section XVIII – Optical, Photographic, Cinematographic, Measuring, Checking, Precision, Medical or Surgical Instruments and Apparatus; Clocks and Watches; Musical Instruments; Parts and Accessories Thereof

Chapter 90	**Optical, Photographic, Cinematographic, Measuring, Checking, Precision, Medical or Surgical Instruments and Apparatus; Parts and Accessories Thereof**
90.01	A change to heading 90.01 from any other heading.
90.02	A change to heading 90.02 from any other heading except from 90.01 or a change to heading 90.02 from any other heading provided it has a regional value content of not less than 50%.
9003.11	A change to subheading 9003.11 from any other heading or a

	change to subheading 9003.11 from any other subheading provided it has a regional value content of not less than 50%.
9003.19 – 9003.90	A change to subheading 9003.19 through 9003.90 from any other heading.
90.04	A change to heading 90.04 from any other chapter or a change to heading 90.04 from any other heading provided it has a regional value content of not less than 50%.
9005.10 – 9005.80	A change to subheading 9005.10 through 9005.80 from any other heading or a change to subheading 9005.10 through 9005.80 from any other subheading provided it has a regional value content of not less than 50%.
9005.90	A change to subheading 9005.90 from any other heading.
9006.10 – 9006.69	A change to subheading 9006.10 through 9006.69 from any other heading or a change to subheading 9006.10 through 9006.69 from any other subheading provided it has a regional value content of not less than 50%.
9006.91 – 9006.99	A change to subheading 9006.91 through 9006.99 from any other heading.
9007.11 – 9007.19	A change to subheading 9007.11 through 9007.19 from any other heading or a change to subheading 9007.11 through 9007.19 from any other subheading provided it has a regional value content of not less than 50%.
9007.20	A change to subheading 9007.20 from any other heading or a change to subheading 9007.20 from any other subheading provided it has a regional value content of not less than 50%.
9007.91 – 9007.92	A change to subheading 9007.91 through 9007.92 from any other heading.

9008.10 – 9008.40	A change to subheading 9008.10 through 9008.40 from any other heading or a change to subheading 9008.10 through 9008.40 from any other subheading provided it has a regional value content of not less than 50%.
9008.90	A change to subheading 9008.90 from any other heading.
9009.11 – 9009.30	A change to subheading 9009.11 through 9009.30 from any other heading or a change to subheading 9009.11 through 9009.30 from any other subheading provided it has a regional value content of not less than 50%.
9009.91 – 9009.93	A change to subheading 9009.91 through 9009.93 from any other subheading.
9009.99	A change to subheading 9009.99 from any other subheading.
9010.10	A change to subheading 9010.10 from any other heading or a change to subheading 9010.10 from any other subheading provided it has a regional value content of not less than 50%.
9010.41 – 9010.49	A change to subheading 9010.41 through 9010.49 from any other subheading.
9010.50 – 9010.60	A change to subheading 9010.50 through 9010.60 from any other heading or a change to subheading 9010.50 through 9010.60 from any other subheading provided it has a regional value content of not less than 50%.
9010.90	A change to subheading 9010.90 from any other heading.
9011.10 – 9011.80	A change to subheading 9011.10 through 9011.80 from any other heading or a change to subheading 9011.10 through 9011.80 from any other subheading provided it has a regional value content of not less than 45%.
9011.90	A change to subheading 9011.90 from any other heading.

9012.10	A change to subheading 9012.10 from any other heading or a change to subheading 9012.10 from any other subheading provided it has a regional value content of not less than 50%.
9012.90	A change to subheading 9012.90 from any other heading.
9013.10 – 9013.80	A change to subheading 9013.10 through 9013.80 from any other heading or a change to subheading 9013.10 through 9013.80 from any other subheading provided it has a regional value content of not less than 50%.
9013.90	A change to subheading 9013.90 from any other heading.
9014.10 – 9014.80	A change to subheading 9014.10 through 9014.80 from any other heading or a change to subheading 9014.10 through 9014.80 from any other subheading provided it has a regional value content of not less than 50%.
9014.90	A change to subheading 9014.90 from any other heading.
9015.10 – 9015.80	A change to subheading 9015.10 through 9015.80 from any other heading or a change to subheading 9015.10 through 9015.80 from any other subheading provided it has a regional value content of not less than 50%.
9015.90	A change to subheading 9015.90 from any other heading.
90.16	A change to heading 90.16 from any other heading.
9017.10 – 9017.80	A change to subheading 9017.10 through 9017.80 from any other heading or a change to subheading 9017.10 through 9017.80 from any other subheading provided it has a regional value content of not less than 50%.
9017.90	A change to subheading 9017.90 from any other heading.

9018.11 - 9018.90	A change to subheading 9018.11 through 9018.90 from any other heading or a change to subheading 9018.11 through 9018.90 from any other subheading provided it has a regional value content of not less than 50%.
90.19	A change to heading 90.19 from any other subheading.
90.20	A change to heading 90.20 from any other heading.
90.21	A change to heading 90.21from any other subheading.
9022.12 – 9022.30	A change to subheading 9022.12 through 9022.30 from any other heading or a change to subheading 9022.12 through 9022.30 from any other subheading provided it has a regional value content of not less than 50%.
9022.90	A change to subheading 9022.90 from any other heading.
90.23	A change to heading 90.23 from any other heading.
9024.10 – 9024.80	A change to subheading 9024.10 through 9024.80 from any other heading or a change to subheading 9024.10 through 9024.80 from any other subheading provided it has a regional value content of not less than 50%.
9024.90	A change to subheading 9024.90 from any other heading.
9025.11 – 9025.80	A change to subheading 9025.11 through 9025.80 from any other heading or a change to subheading 9025.11 through 9025.80 from any other subheading provided it has a regional value content of not less than 50%.
9025.90	A change to subheading 9025.90 from any other heading.
9026.10 – 9026.80	A change to subheading 9026.10 through 9026.80 from any other subheading.

9026.90	A change to subheading 9026.90 from any other heading.
9027.10	A change to subheading 9027.10 from any other heading or a change to subheading 9027.10 from any other subheading provided it has a regional value content of not less than 50%.
9027.20 – 9027.30	A change to subheading 9027.20 through 9027.30 from any other subheading.
9027.40	A change to subheading 9027.40 from any other heading or a change to subheading 9027.40 from any other subheading provided it has a regional value content of not less than 50%.
9027.50 – 9027.80	A change to subheading 9027.50 through 9027.80 from any other subheading.
9027.90	A change to subheading 9027.90 from any other heading.
9028.10 – 9028.30	A change to subheading 9028.10 through 9028.30 from any other heading or a change to subheading 9028.10 through 9028.30 from any other subheading provided it has a regional value content of not less than 50%.
9028.90	A change to subheading 9028.90 from any other heading.
9029.10 – 9029.20	A change to subheading 9029.10 through 9029.20 from any other heading or a change to subheading 9029.10 through 9029.20 from any other subheading provided it has a regional value content of not less than 50%.
9029.90	A change to subheading 9029.90 from any other heading.
9030.10	A change to subheading 9030.10 from any other subheading.
9030.20 – 9030.39	A change to subheading 9030.20 through 9030.39 from any other heading or a change to subheading 9030.20 through 9030.39 from any other subheading provided it has a regional value content of not

	less than 50%.
9030.40 – 9030.82	A change to subheading 9030.40 through 9030.82 from any other subheading.
9030.83 – 9030.89	A change to subheading 9030.83 through 9030.89 from any other heading or a change to subheading 9030.83 through 9030.89 from any other subheading provided it has a regional value content of not less than 50%.
9030.90	A change to subheading 9030.90 from any other heading.
9031.10 – 9031.30	A change to subheading 9031.10 through 9031.30 from any other heading or a change to subheading 9031.10 through 9031.30 from any other subheading provided it has a regional value content of not less than 50%.
9031.41	A change to subheading 9031.41 from any other subheading.
9031.49 - 9031.80	A change to subheading 9031.49 through 9031.80 from any other heading or a change to subheading 9031.49 through 9031.80 from any other subheading provided it has a regional value content of not less than 50%.
9031.90	A change to subheading 9031.90 from any other heading provided it has a regional value content of not less than 50%.
9032.10	A change to subheading 9032.10 from any other heading or a change to subheading 9032.10 from any other subheading provided it has a regional value content of not less than 50%.
9032.20	A change to subheading 9032.20 from any other heading or a change to subheading 9032.20 from any other subheading provided it has a regional value content of not less than 45%.
9032.81 – 9032.89	A change to subheading 9032.81 through 9032.89 from any other heading or a change to subheading 9032.81 through 9032.89 from

	any other subheading provided it has a regional value content of not less than 50%.
9032.90	A change to subheading 9032.90 from any other heading.
90.33	A change to heading 90.33 from any other heading.
Chapter 91	**Clocks and Watches and Parts Thereof**
91.01 – 91.07	A change to heading 91.01 through 91.07 from any other chapter.
91.08 – 91.10	A change to heading 91.08 through 91.10 from any other heading provided it has a regional value content of not less than 55%.
91.11 – 91.14	A change to heading 91.11 through 91.14 from any other heading.
Chapter 92	**Musical Instruments; Parts and Accessories of Such Articles**
92.01 – 92.08	A change to heading 92.01 through 92.08 from any other chapter.
92.09	A change to heading 92.09 from any other heading.

Section XIX – Arms and Ammunition; Parts and Accessories Thereof

Chapter 93	**Arms and Ammunition; Parts and Accessories Thereof**
93.01 – 93.04	A change to heading 93.01 through 93.04 from any other chapter.
93.05 – 93.07	A change to heading 93.05 through 93.07 from any other heading.

Section XX – Miscellaneous Manufactured Articles

Chapter 94	**Furniture; Bedding, Mattresses, Mattress Supports, Cushions and Similar Stuffed Furnishings; Lamps and Lighting Fittings, Not Elsewhere Specified or Included; Illuminated Signs,**

	Illuminated Name-Plates and the Like; Prefabricated Buildings
94.01 – 94.06	A change to heading 94.01 through 94.06 from any other heading.
Chapter 95	**Toys, Games and Sport Requisites; Parts and Accessories Thereof**
95.01 - 95.08	A change to heading 95.01 through 95.08 from any other heading.
Chapter 96	**Miscellaneous Manufactured Articles**
96.01 - 96.02	A change to heading 96.01 through 96.02 from any other heading.
9603.10	A change to subheading 9603.10 from any other heading except from chapter 14.
9603.21 - 9603.90	A change to subheading 9603.21 through 9603.90 from any other heading.
96.04	A change to heading 96.04 from any other heading.
96.05	A change to heading 96.05 from any other chapter.
96.06 - 96.12	A change to heading 96.06 through 96.12 from any other heading.
96.13	A change to heading 96.13 from any other chapter.
96.14 - 96.18	A change to heading 96.14 through 96.18 from any other heading.

Section XXI - Works of Art, Collectors Pieces and Antiques

Chapter 97	**Works of Art, Collectors Pieces and Antiques**
97.01 - 97.06	A change to heading 97.01 through 97.06 from any other heading.

ANNEX 4B: ORIGINATING GOODS REFERRED TO IN ARTICLE 4.3

Section 1: Table of Goods (in HS Code)

Chapter 12 **Oil Seeds and Oleaginous Fruits; Miscellaneous Grains, Seeds and Fruit; Industrial or Medicinal Plants; Straw and Fodder**

121120

Chapter 13 **Lac; Gums; Resins and Other Vegetable Saps and Extracts**

130219

Chapter 15 **Animal or Vegetable Fats and Oils and Their Cleavage Products; Prepared Edible Fats; Animal or Vegetable Waxes**

150100, 150200, 150300, 150410, 150420, 150430, 150500, 150600, 150710, 150790, 150810, 150890, 150910, 150990, 151000, 151110, 151190, 151211, 151219, 151221, 151229, 151311, 151319, 151321, 151329, 151411, 151419, 151491, 151499, 151511, 151519, 151521, 151529, 151530, 151540, 151550, 151590, 151610, 151620, 151710, 151790, 151800, 152000, 152110, 152190, 152200

Chapter 16 **Preparations of Meat, of fish or of Crustaceans, Molluscs or Other Aquatic Invertebrates**

160100, 160210, 160220, 160231, 160232, 160239, 160241, 160242, 160249, 160250, 160290, 160300, 160411, 160412, 160413, 160414, 160415, 160416, 160419, 160420, 160430, 160510, 160520, 160530, 160540, 160590

Chapter 17 **Sugars and Sugar Confectionery**

170111, 170112, 170191, 170199, 170211, 170219, 170220, 170230, 170240, 170250, 170260, 170290, 170310, 170390, 170410, 170490

Chapter 18 **Cocoa and Cocoa Preparations**

180100, 180200, 180310, 180320, 180400, 180500, 180610, 180620, 180631, 180632, 180690

Chapter 19 Preparation of Cereals, Flour, Starch or Milk; Pastrycooks' Products

190110, 190120, 190190, 190211, 190219, 190220, 190230, 190240, 190300, 190410, 190420, 190430, 190490, 190510, 190520, 190531, 190532, 190540, 190590

Chapter 20 Preparations of Vegetables, Fruit, Nuts or Other Parts of Plants

200110, 200190, 200210, 200290, 200310, 200320, 200390, 200410, 200490, 200510, 200520, 200540, 200551, 200559, 200560, 200570, 200580, 200590, 200600, 200710, 200791, 200799, 200811, 200819, 200820, 200830, 200840, 200850, 200860, 200870, 200880, 200891, 200892, 200899, 200911, 200912, 200919, 200921, 200929, 200931, 200939, 200941, 200949, 200950, 200961, 200969, 200971, 200979, 200980, 200990

Chapter 21 Miscellaneous Edible Preparations

210111, 210112, 210120, 210130, 210210, 210220, 210230, 210310, 210320, 210330, 210390, 210410, 210420, 210500, 210610, 210690

Chapter 25 Salt; Sulphur; Earths and Stone; Plastering Materials, Lime and Cement

250100, 250200, 250300, 250410, 250490, 250510, 250590, 250610, 250621, 250629, 250700, 250810, 250820, 250830, 250840, 250850, 250860, 250870, 250900, 251010, 251020, 251110, 251120, 251200, 251311, 251319, 251320, 251400, 251511, 251512, 251520, 251611, 251612, 251621, 251622, 251690, 251710, 251720, 251730, 251741, 251749, 251810, 251820, 251830, 251910, 251990, 252010, 252020, 252100, 252210, 252220, 252230, 252310, 252321, 252329, 252330, 252390, 252400, 252510, 252520, 252530, 252610, 252620, 252810, 252890, 252910, 252921, 252922, 252930, 253010, 253020, 253090

Chapter 26 Ores, Slag and Ash

260111, 260112, 260120, 260200, 260300, 260400, 260500, 260600, 260700, 260800, 260900, 261000, 261100, 261210, 261220, 261310, 261390, 261400, 261510, 261590, 261610, 261690, 261710, 261790, 261800, 261900, 262011, 262019, 262021, 262029, 262030, 262040, 262060, 262091, 262099, 262110, 262190

Chapter 27 Mineral Fuels, Mineral Oils and Products of their Distillation;

Bituminous Substances; Mineral Waxes

270111, 270112, 270119, 270120, 270210, 270220, 270300, 270400, 270500, 270600, 270710, 270720, 270730, 270740, 270750, 270760, 270791, 270799, 270810, 270820, 270900, 271011, 271019, 271091, 271099, 271111, 271112, 271113, 271114, 271119, 271121, 271129, 271210, 271220, 271290, 271311, 271312, 271320, 271390, 271410, 271490, 271500, 271600

Chapter 28 Inorganic Chemicals; Organic or Inorganic Compounds of Precious Metals, of Rare-Earth Metals, of Radioactive Elements or of Isotopes

280110, 280120, 280130, 280200, 280300, 280410, 280421, 280429, 280430, 280440, 280450, 280461, 280469, 280470, 280480, 280490, 280511, 280512, 280519, 280530, 280540, 280610, 280620, 280700, 280800, 280910, 280920, 281000, 281111, 281119, 281121, 281122, 281123, 281129, 281210, 281290, 281310, 281390, 281410, 281420, 281511, 281512, 281520, 281530, 281610, 281640, 281700, 281810, 281820, 281830, 281910, 281990, 282010, 282090, 282110, 282120, 282200, 282300, 282410, 282420, 282490, 282510, 282520, 282530, 282540, 282550, 282560, 282570, 282580, 282590, 282611, 282612, 282619, 282620, 282630, 282690, 282710, 282720, 282731, 282732, 282733, 282734, 282735, 282736, 282739, 282741, 282749, 282751, 282759, 282760, 282810, 282890, 282911, 282919, 282990, 283010, 283020, 283030, 283090, 283110, 283190, 283210, 283220, 283230, 283311, 283319, 283321, 283322, 283323, 283324, 283325, 283326, 283327, 283329, 283330, 283340, 283410, 283421, 283429, 283510, 283522, 283523, 283524, 283525, 283526, 283529, 283531, 283539, 283610, 283620, 283630, 283640, 283650, 283660, 283670, 283691, 283692, 283699, 283711, 283719, 283720, 283800, 283911, 283919, 283920, 283990, 284011, 284019, 284020, 284030, 284110, 284120, 284130, 284150, 284161, 284169, 284170, 284180, 284190, 284210, 284290, 284310, 284321, 284329, 284330, 284390, 284410, 284420, 284430, 284440, 284450, 284510, 284590, 284610, 284690, 284700, 284800, 284910, 284920, 284990, 285000, 285100

Chapter 29 Organic Chemicals

290110, 290121, 290122, 290123, 290124, 290129, 290211, 290219, 290220, 290230, 290241, 290242, 290243, 290244, 290250, 290260, 290270, 290290, 290311, 290312, 290313, 290314, 290315, 290319, 290321, 290322, 290323, 290329, 290330, 290341, 290342, 290343, 290344, 290345, 290346, 290347, 290349, 290351, 290359, 290361, 290362, 290369, 290410, 290420, 290490, 290511, 290512, 290513, 290514, 290515, 290516, 290517, 290519, 290522, 290529, 290531, 290532, 290539, 290541, 290542, 290543, 290544, 290545, 290549, 290551, 290559, 290611, 290612, 290613, 290614, 290619, 290621,

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910111, 910112, 910119, 910121, 910129, 910191, 910199, 910211, 910212, 910219, 910221, 910229, 910291, 910299, 910310, 910390, 910400, 910511, 910519, 910521, 910529, 910591, 910599, 910610, 910620, 910690, 910700, 910811, 910812, 910819, 910820, 910890, 910911, 910919, 910990, 911011, 911012, 911019, 911090, 911110, 911120, 911180, 911190, 911220, 911290, 911310, 911320, 911390, 911410, 911420, 911430, 911440, 911490

Chapter 92 Musical Instruments; Parts and Accessories of Such Articles

920110, 920120, 920190, 920210, 920290, 920300, 920410, 920420, 920510, 920590, 920600, 920710, 920790, 920810, 920890, 920910, 920920, 920930, 920991, 920992, 920993, 920994, 920999

Chapter 94 Furniture; Bedding, Mattresses, Mattress Supports, Cushions and Similar Stuffed Furnishings; Lamps and Lighting Fittings, Not Elsewhere Specified or Included; Illuminated Signs, Illuminated Name-Plates and the Like; Prefabricated Buildings

940110, 940120, 940130, 940140, 940150, 940161, 940169, 940171, 940179, 940180, 940190, 940210, 940290, 940310, 940320, 940330, 940340, 940350, 940360, 940370, 940380, 940390, 940410, 940421, 940429, 940430, 940490, 940510, 940520, 940530, 940540, 940550, 940560, 940591, 940592, 940599, 940600

Chapter 95 Toys, Games and Sport Requisites; Parts and Accessories Thereof

950100, 950210, 950291, 950299, 950310, 950320, 950330, 950341, 950349, 950350, 950360, 950370,

950380, 950390, 950410, 950420, 950430, 950440, 950490, 950510, 950590, 950611, 950612, 950619, 950621, 950629, 950631, 950632, 950639, 950640, 950651, 950659, 950661, 950662, 950669, 950670, 950691, 950699, 950710, 950720, 950730, 950790, 950810, 950890

Chapter 96 Miscellaneous Manufactured Articles

960110, 960190, 960200, 960310, 960321, 960329, 960330, 960340, 960350, 960390, 960400, 960500, 960610, 960621, 960622, 960629, 960630, 960711, 960719, 960720, 960810, 960820, 960831, 960839, 960840, 960850, 960860, 960891, 960899, 960910, 960920, 960990, 961000, 961100, 961210, 961220, 961310, 961320, 961380, 961390, 961420, 961490, 961511, 961519, 961590, 961610, 961620, 961700, 961800

Section 2

1. With a three (3) months' notice in writing, Korea may add goods to the table in Section 1, unless Singapore in good faith indicates otherwise to Korea.

2. It is understood that goods listed in Section 1 are produced in the Gaesong Industrial Complex and other industrial zones on the Korean Peninsula.

ANNEX 4C: THE GOODS REFERRED TO IN ARTICLE 4.4

Table of Goods in HS Code[1]

Chapter 39 Plastics and Articles Thereof

3917291000, 3917292000, 3917299000, 3919100000, 3919900000, 3921904020, 3921905090, 3921906010, 3921906030, 3921906090, 3921907010, 3921907030, 3921909020, 3921909050, 3923210000, 3923290000, 3923400000, 3923500000, 3926101000, 3926102000, 3926109000

Chapter 84 Nuclear Reactors, Boilers, Machinery and Mechanical Appliances; Parts Thereof

8415820000, 8421219020, 8422301000, 8422302000, 8422303000, 8422304000, 8424301000, 8424302000, 8424309000, 8437901000, 8437909000, 8451290000, 8467210000, 8480490000, 8481201000, 8481202000, 8482100000, 8483501000

Chapter 85 Electrical Machinery and Equipment and Parts Thereof; Sound Recorders and Reproducers, Television Image and Sound Recorders and Reproducers, and Parts and Accessories of Such Articles

8501201000, 8501202000, 8501311010, 8501312000, 8501331000, 8501332000, 8501341000, 8501342000, 8501531000, 8502311000, 8502391000, 8502394000, 8502400000, 8504211000, 8504219010, 8504221000, 8504229010, 8504230000, 8504331000, 8504339010, 8504341000, 8504349010, 8505111000, 8505191000, 8509200000, 8513101000, 8513109000, 8514101000, 8514201000, 8514309000, 8515211010, 8515311010, 8515319010, 8516210000, 8516290000, 8516310000, 8516330000, 8516602000, 8516791000, 8516799000, 8518210000, 8518220000, 8518400000, 8518500000, 8519993010, 8519993020, 8520331000, 8520332000, 8520339000, 8520391000, 8520399000, 8522100000, 8523300000, 8524600000, 8525401090, 8526101000, 8526109000, 8527190000, 8527290000, 8527390000, 8528129012, 8528129022, 8528129031, 8528129032, 8528129042, 8528129090, 8528131000, 8528139010, 8528139020, 8528139030,

[1] HS Code provides for the number used to describe goods in the Harmonised System of Korea 2004.

8528139090, 8539221000, 8539290000, 8539310000, 8539321000, 8539390000, 8539410000, 8539491010, 8539901000, 8540720000, 8540790000, 8540891000, 8540892000, 8540893000, 8540899000, 8543300000, 8545200000, 8546101000, 8548101000, 8548104000

Chapter 89 Ships, Boats and Floating Structures

8905201000, 8905202000, 8905209000

Chapter 90 Optical, Photographic, Cinematographic, Measuring, Checking, Precision, Medical or Surgical Instruments and Apparatus; Parts and Accessories Thereof

9031100000, 9006100000

July 18th, 2005

H.E. LIM Hng Kiang
Minister for Trade and Industry
Republic of Singapore

Dear H.E. LIM Hng Kiang:

I have the honour to refer to the Free Trade Agreement between the government of the Republic of Korea and the government of the Republic of Singapore ("the Agreement") signed in Seoul on August 4th, 2005.

Resulting from the above Agreement, I have the honour of confirming the understanding of both Parties that in relation to Chapter 4 (Rules of Origin) of the Agreement, in regard to Article 4.4, for the purpose of enabling the Parties to understand where the processes of production or operation outside the territory of a Party for goods listed in Annex 4C take place, without prejudice to where such processes of production or operation can take place, a Party shall inform the other Party, in writing, of the areas where the processes of production or operation outside the territory of a Party for goods listed in Annex 4C take place.

I would be grateful if you would confirm that the understanding of my Government as stated above is shared by your Government and that this understanding shall be treated as an integral part of the Agreement.

Sincerely,

Han-soo Kim
Director General
Free Trade Agreement Bureau
Ministry of Foreign Affairs and Trade
Republic of Korea

[Date]

Mr. Han-soo Kim
Director General
Free Trade Agreement Bureau
Ministry of Foreign Affairs and Trade
Republic of Korea

Dear Mr. Kim:

I have the honour to acknowledge the receipt of your letter dated [Date], which reads as follows:

"I have the honour to refer to the Free Trade Agreement between the government of the Republic of Korea and the government of the Republic of Singapore ("the Agreement") signed at [place] on [date].

Resulting from the above Agreement, I have the honour of confirming the understanding of both Parties that in relation to Chapter 4 (Rules of Origin) of the Agreement, that in regard to Article 4.4, for the purpose of enabling the Parties to understand where the processes of production or operation outside the territory of a Party for goods listed in Annex 4C take place, without prejudice to where such processes of production or operation can take place, a Party shall inform the other Party, in writing, of the areas where the processes of production or operation outside the territory of a Party for goods listed in Annex 4C take place.

I would be grateful if you would confirm that the understanding of my Government as stated above is shared by your Government and that this understanding shall be treated as an integral part of the Agreement."

I have the honor of confirming that this understanding is shared by my Government and that this understanding shall constitute an integral part of the Agreement.

Sincerely,

[Name of Singapore's Representative]
[Title]

CHAPTER 5
CUSTOMS PROCEDURES

ARTICLE 5.1 : DEFINITIONS

For the purposes of this Chapter:

certificate of origin means respective forms used for purposes of claiming preferential tariff treatment in the importing Party, certifying that an exported good qualifies as an originating good in accordance with Chapter 4 (Rules of Origin), on the basis of documentary evidence or reliable information;

certification body means a body referred to in Annex 5A;

customs administration means the competent authority that is responsible under the law of a Party for the administration of customs laws and regulations;

exporter means a person located in the territory of a Party from where a good is exported by such a person;

importer means a person located in the territory of a Party where a good is imported by such a person;

identical goods means "identical goods" as defined in the Customs Valuation Agreement;

producer is as defined in Article 4.1;

production is as defined in Article 4.1;

Cost and Production Statement means a declaration made by the producer, in the calculation of the regional value content, the HS tariff classifications of the product and its non-originating material used, to determine the originating status of the good. The declaration should be signed by a designated authority, generally the managing director or accountant of the company. The declaration may be made by the importer or exporter, if he or she has pertinent information to the production of the good. Notwithstanding the

above, the producer shall not be required to provide the information to the importer or the exporter;

value means value of a good or material for purposes of calculating customs duties or for purposes of applying Chapter 4 (Rules of Origin);

Declaration for Preference means an application for claiming preferential tariff treatment declared, on the basis of a certificate of origin or any other documentary evidence of origin, by an importer to the customs administration as part of the import application that an imported good qualifies as an originating good in accordance with Chapter 4.

ARTICLE 5.2 : CERTIFICATE OF ORIGIN

1. The Parties shall adopt two respective forms of the certificate of origin as set out in Annex 5B and Annex 5C, which may be revised by agreement between the Parties.

2. The respective certificate of origin, referred to in paragraph 1, shall be issued by the certification bodies of the exporting Party.

3. The issued certificate of origin shall be valid for twelve (12) months from the date of issue.

4. Each Party shall inform, through its customs administration, the other Party of the names and addresses of the authorised signatories issuing this certificate of origin and shall provide specimen impressions of signatures and official seals used by such signatories. Any change in names, addresses, signatures or official seals shall be promptly notified to the other Party.

5. Each Party shall:

(a) require an exporter in its territory to complete and sign an application for certificate of origin for any good which an importer may claim preferential tariff treatment on importation of the good into the territory of the other Party; and

(b) provide that where an exporter in its territory is not the producer of the good, the exporter may complete and sign an application for a certificate of origin on the basis of:
    (i) the exporter's knowledge that the good qualifies as an originating good; or
    (ii) the exporter's reasonable reliance on the producer's written representation that the good qualifies as an originating good.

6. The certificate of origin shall be issued in the English language.

7. Each Party shall provide that a certificate of origin that has been issued by authorised body designated by each Party is applicable to a single importation of a good into its territory.

8. In cases where a certificate of origin has not been issued at the time of exportation or soon thereafter due to involuntary errors or omissions or other valid causes, the certificate of origin may be issued retrospectively but not later than one year from the date of shipment.

ARTICLE 5.3 : CLAIMS FOR PREFERENTIAL TREATMENT

1. Each Party shall require an importer in its territory that claims preferential tariff treatment for a good imported into its territory from the territory of the other Party to:

(a) make a declaration for preference as part of the import application prescribed by its legislation, based on importer's knowledge or information including a valid certificate of origin, that the good qualifies as an originating good;
(b) submit the certificate of origin or other documentary evidence of origin at the time of the declaration referred to in subparagraph (a), to its customs administration upon request; and
(c) promptly make a corrected declaration and pay any duties owing, where the importer has reason to believe that a certificate of origin on which a declaration was based contains information that is incorrect.

2. Each Party shall provide that the importing Party applies preferential tariff treatment only in cases where an importer proves the accuracy of origin of the imported

goods through documentary evidence or any other relevant information in accordance with its laws and regulations.

3. A Party may deny preferential tariff treatment to an imported good if the importer fails to comply with requirements of this Chapter.

4. The importing Party shall grant preferential tariff treatment to goods imported after the date of entry into force of this Agreement, in cases where the importer does not have the certificate of origin or other documentary evidence of origin at the time of importation, provided that:

(a) the importer had, at the time of importation, indicated to the customs administration of the importing Party his intention to claim preferential tariff treatment; and
(b) the certificate of origin or other documentary evidence of origin is submitted to its customs administration within such period from the date of payment of customs duties in accordance with the domestic laws and regulations in the importing Party.

ARTICLE 5.4 : OBLIGATIONS RELATING TO EXPORTATIONS

1. Each Party shall provide that an exporter or a producer in its territory shall submit a copy of the certificate of origin or other documentary evidence of origin to its customs administration upon request.

2. Each Party shall provide that a false statement by an exporter or a producer in its territory that a good to be exported to the territory of the other Party qualifies as an originating good shall be penalised for a contravention of its customs laws and regulations regarding the making of a false statement or representation. Furthermore, each Party may apply such measures as the circumstances may warrant where an exporter or a producer in its territory fails to comply with any requirement of this Chapter.

ARTICLE 5.5 : RECORD KEEPING REQUIREMENT

1. Each Party shall provide that an exporter and a producer in its territory that has obtained a certificate of origin shall maintain in its territory, for five (5) years after the date on which the certificate of origin was issued or for such longer period as the Party may specify, all records relating to the origin of a good for which preferential tariff treatment was claimed in the territory of the other Party, including records associated with:

(a) the purchase of, cost of, value of, shipping of, and payment for, the good that is exported from its territory;
(b) the sourcing of, the purchase of, cost of, value of, and payment for, all materials, including neutral elements, used in the production of the good that is exported from its territory; and
(c) the production of the good in the form in which the good is exported from its territory.

2. Each Party shall provide that an importer claiming preferential tariff treatment for a good imported into the Party's territory shall maintain in that territory, for five (5) years after the date of importation of the good or for such longer period as the Party may specify, such documentation, including a copy of the certificate of origin, as the Party may require relating to the importation of the good.

3. The records to be maintained in accordance with paragraphs 1 and 2 shall include electronic records and shall be maintained in accordance with the domestic laws and practices of each Party.

ARTICLE 5.6 : WAIVER OF CERTIFICATE OF ORIGIN

1. Notwithstanding paragraph 1(b) of Article 5.3, a certificate of origin shall not be required for:

(a) an importation of a good whose aggregate customs value does not exceed USD 1,000 or its equivalent amount in the Party’s currency, or such higher amount as it may establish; or
(b) an importation of a good into the territory of the importing Party, for which the importing Party has waived the requirement for a certificate of origin in accordance with its domestic laws and practices;

provided that the importation does not form part of one or more importations that may reasonably be considered to have been undertaken or arranged for the purpose of avoiding the certification requirements of Articles 5.2 and 5.3.

2. The importing Party may request the importer in paragraph 1 to provide relevant documents to certify that the good qualifies as an originating good.

ARTICLE 5.7 : VERIFICATIONS FOR PREFERENTIAL TARIFF TREATMENT

1. For the purposes of determining whether a good imported into its territory from the territory of the other Party is eligible for preferential tariff treatment, the importing Party may, through its customs administration, conduct a verification, which may be in sequence, by means of:

(a) request for a certificate of origin from the importer;
(b) request for Cost and Production Statement and information from the importer for cases where the importer is able to prepare it on the basis of the importer's own documentary evidence or information;
(c) request for Cost and Production Statement and information from an exporter or a producer in the territory of the other Party through the other Party's customs administration;
(d) visit to the premises of an exporter or a producer in the territory of the other Party to review the records referred to in paragraph 1 of Article 5.5 and observe the facilities used in the production of the good, or to that effect any facilities used in the production of the materials; or
(e) such other procedure as the Parties may agree to.

2. The importer, exporter or producer that receives a written request pursuant to subparagraphs (a), (b) or (c) of paragraph 1 shall answer and return it within a period of thirty (30) days from the date on which it was received. During this period, the importer, exporter or producer may have one opportunity to make a written request to the Party conducting the verification for an extension of the answering period, for a period not exceeding thirty (30) days**.**

3. In the case where the importer, exporter, or producer does not return the written

request for information made by the importing Party within the given period or its extension, or that the information provided is false or incomplete, the Party may deny preferential tariff treatment.

4. Prior to conducting a verification visit pursuant to subparagraph 1(d), a Party shall, through its customs administration:

(a) deliver a written notification of its intention to conduct the visit to:
    (i) the exporter or producer whose premises are to be visited; and
    (ii) the customs administration of the other Party; and
(b) obtain the written consent of the exporter or producer whose premises are to be visited.

5. Where an exporter or producer has not given its written consent to a proposed verification visit within thirty (30) days from the receipt of notification pursuant to paragraph 4, the notifying Party may deny preferential tariff treatment to the relevant good.

6. Each Party shall provide that, upon receipt of notification pursuant to paragraph 4, such an exporter or producer may, within fifteen (15) days of receiving the notification, have one opportunity to request to the Party conducting the verification for a postponement of the proposed verification visit, for a period not exceeding sixty (60) days. This extension shall be notified to the customs administration of the importing and exporting Parties.

7. A Party shall not deny preferential tariff treatment to a good solely because a verification visit was postponed pursuant to paragraph 6.

8. After the conclusion of a verification visit, the Party conducting the verification, shall provide the exporter or producer whose good was verified, with a written determination of whether the good is eligible for preferential tariff treatment, based on the relevant law and findings of fact.

9. Where verifications by a Party show that an exporter or producer repeatedly makes false or unsupported representations that a good imported into the Party's territory qualifies as an originating good, the Party may suspend the preferential tariff treatment to be accorded to subsequent shipment of identical good exported or produced

by such a person until that person establishes that the shipment complies with Chapter 4 (Rules of Origin), in accordance with its domestic laws, regulations or practices. The importing Party shall inform the customs administration of the exporting Party on the evidence and details of the suspension made.

ARTICLE 5.8 : ADVANCE RULINGS

1. Prior to the importation of a good into its territory, each Party, through its customs administration, shall provide for the issuance of written advance rulings to an importer of the good in its territory or to an exporter or producer of the good in the other Party's territory concerning tariff classification, questions arising from the application of the Customs Valuation Agreement and country of origin so as to determine whether the good qualifies as an originating good.

2. Each Party shall adopt or maintain procedures for the issuance of advance rulings, including:

(a) the provision that an importer or its agent in its territory or an exporter or producer or their agent in the territory of the other Party may request such a ruling prior to the importation in question;
(b) a detailed description of the information required to process a request for an advance ruling; and
(c) the provision that the advance ruling be based on the facts and circumstances presented by the person requesting the ruling.

3. Each Party shall provide that its customs administrations:

(a) may request, at any time during the course of evaluating an application for an advance ruling, additional information necessary to evaluate the application;
(b) shall issue the advance ruling expeditiously, and in any case within ninety (90) days of obtaining all necessary information; and
(c) shall provide, upon request of the person who requested the advance ruling, a full explanation of the reasons for the ruling.

4. The importing Party may modify or revoke the issued ruling:

(a) if the ruling was based on an error of fact;
(b) if there is a change in the material facts or circumstances on which the ruling was based;
(c) to conform with an amendment to this Agreement; or
(d) to conform with a judicial or administration decision or a change in its domestic laws and regulations.

5. Each Party shall provide that any modification or revocation of an advance ruling is effective on the date on which the modification or revocation is issued, or on such a later date as may be specified therein, and shall not be applied to importations of a good that have occurred prior to that date, unless the person to whom the advance ruling was issued has not acted in accordance with its terms and conditions.

6. Notwithstanding paragraph 5, the issuing Party shall postpone the effective date of such modification or revocation for a period not exceeding sixty (60) days where the person to whom the advance ruling was issued demonstrates that it has relied in good faith to its detriment on that ruling.

7. Each Party shall provide that where it issues an advance ruling to a person that has misrepresented or omitted material facts or circumstances or failed to act in accordance with the terms and conditions of the ruling, the Party may impose penalties or deny the preferential tariff treatment as the circumstances may warrant.

8. A good that is subject to an origin verification process or any instance of review or appeal in the territory of one of the Parties may not be the subject of an advance ruling.

9. Subject to paragraph 10, each Party shall apply an advance ruling to importations into its territory of the relevant good from the date of its issuance or from such later date as may be specified in the ruling.

10. The importing Party shall apply the advance ruling for three (3) years from the date of issuance of the ruling.

ARTICLE 5.9 : DENIAL OF PREFERENTIAL TARIFF TREATMENT

Except as otherwise provided in this Chapter, each Party may, notwithstanding the requirements of Articles 5.3, 5.4, 5.5, 5.6 and 5.7 and any other legal requirements imposed under its law have been satisfied, deny the applicable preferential tariff treatment to an originating good imported into its territory:

(a) if the declared origin of the imported good is not supported by documentary evidence presented by an importer in its territory, or an exporter or a producer in the territory of the other Party;

(b) if an exporter or a producer in the territory of the other Party does not allow the customs administration of the importing Party access to information required to make a determination of whether the goods or the materials is originating by the following or other means:
    (i) denial of access to its records and/or documents;
    (ii) failure to respond to a cost and production statement or information requested; or
    (iii) failure to maintain records or documentation relevant to determine the origin of the good in accordance with the requirement of this Chapter;

(c) if, where the good is shipped through or transshipped in the territory of a country that is not a Party under this Agreement, the importer of the good does not provide, on the request of that Party's customs administration:
    (i) a copy of the customs control documents that indicate, to the satisfaction of the importing Party’s customs administration, that the goods remained under customs control while in the territory of such non-Parties;
    (ii) any other information given by the customs administration of such non-Parties or other relevant entities, which evidences that they have not undergone, in such non-Parties, operation other than unloading, reloading, crating, packing, repacking or any other operation necessary to keep them in good condition; or
    (iii) any other information or commercial documents given by the importer which evidence that they have not undergone, in such non-Parties, operation other than unloading, reloading, crating, packing, repacking or any other operation necessary to keep them in good condition; or

(d) if, within thirty (30) days after the request of the customs administration of the importing Party, the producer, exporter or importer of a good, which has undergone processes of production or operation outside the territory of a Party, fails to submit all the necessary documentary evidence to prove that

the good satisfies all the requirements set out in Article 4.4, including that has been obtained from the performer of the processes of production or operation outside the territory of the Party. Notwithstanding the above, the producer, exporter or importer of a good may have one opportunity to make a written request to the customs administration of the importing Party for an extension of the submission period, for a period not exceeding thirty (30) days.

ARTICLE 5.10 : TEMPORARY ADMISSION AND GOODS IN TRANSIT

1. Each Party shall continue to facilitate the procedures for the temporary admission of goods traded between the Parties in accordance with the Customs Convention on the A.T.A. Carnet for the Temporary Admission of Goods.

2. Each Party shall continue to facilitate customs clearance of goods in transit from or to the territory of the other Party.

ARTICLE 5.11 : REVIEW AND APPEAL

1. Each Party shall grant substantially the same rights of review and appeal of determinations of origin and advance rulings by its customs administration, as it provides to importers in its territory, to any person:

(a) who has obtained a certificate of origin or completed a cost and production statement for a good that has been the subject of a determination of origin under this Chapter; or
(b) who has received an advance ruling pursuant to Article 5.8.

2. Each Party shall provide that the rights of review and appeal referred to in paragraph 1 shall include access to:

(a) at least one level of administrative review[5-1] independent of the official or

[5-1] For Singapore, the level of administrative review may include the Ministry supervising the Customs administration.

office responsible for the determination under review; and

(b) in accordance with its domestic law, judicial or quasi-judicial review of the determination or decision taken at the final level of administrative review[5-2].

ARTICLE 5.12 : PENALTIES

Each Party shall maintain measures imposing criminal or administrative penalties, whether solely or in combination, for violations of its laws and regulations relating to this Chapter.

ARTICLE 5.13 : CUSTOMS CO-OPERATION

The Parties shall co-operate through their respective customs administrations on:

(a) Verification of Origin:
   (i) The Parties shall co-operate through their respective customs administrations in the origin verification process of a good, for which the customs administration of the importing Party may request the other Party's customs administrations to co-operate in this process of verification in its own territory; and
   (ii) A Party may, if it considers necessary, station customs liaison officers in the local embassy to work with the host government, for information exchange pertaining to origin verification;

(b) Paperless Customs Clearance:
   (i) The Parties shall, as they deem fit, simplify and streamline customs procedures through the domestic integration of customs systems with other controlling agencies, with a view to enhancing paperless customs clearance;
   (ii) The Parties shall endeavour to provide an electronic environment that supports business transactions between their respective customs administrations and their trading communities; and

[5-2] The review of the determination or decision taken at the final level of administrative review in Singapore may take the form of a common law judicial review.

(iii) The Parties shall exchange views and information on realising and promoting paperless customs clearance between their respective customs administrations and their trading communities;

(c) Risk Management:

(i) The Parties shall adopt risk management approach in its customs activities based on its identified risk of goods in order to facilitate the clearance of low risk consignments, while focusing its inspection activities on high-risk goods; and

(ii) The Parties shall exchange information on risk management techniques in the performance of their customs procedures;

(d) Sharing of Best Practices and Information:

(i) The Parties may, as they deem fit, organise training programmes in customs-related issues, which should include training for customs officials as well as users that directly participate in customs procedures; and

(ii) The Parties may, as they deem fit, facilitate initiatives for the exchange of information on best practices in relation to customs procedures and matters in accordance with their respective domestic customs laws; and

(e) Transparency:

(i) Each Party shall ensure that its laws, regulations, guidelines, procedures, and administrative rulings governing customs matters are promptly published, either on the Internet or in print form;

(ii) Each Party shall designate, establish, and maintain one or more inquiry points to address inquiries from interested persons pertaining to customs matters, and shall make available on the Internet information concerning procedures for making such inquiries; and

(iii) For the purposes of certainty, nothing in this Article or in any part of this Agreement shall require any Party to publish law enforcement procedures and internal operational guidelines including those related to conducting risk analysis and targeting methodologies.

ARTICLE 5.14 : IMPLEMENTATION OF OBLIGATIONS

1. The provisions in this Chapter must be implemented by the Parties by the time that this Agreement enters into force.

2. Each Party must implement all its obligations through the institution of legal or administrative changes and where necessary amend its domestic laws to support the implementation of the obligations undertaken.

ARTICLE 5.15 : CUSTOMS CONTACT POINTS AND AD HOC CUSTOMS COMMITTEE

1. Each Party shall discharge all its obligations that are undertaken in accordance with this Chapter.

2. Each Party shall designate the contact point set out in Annex 5D for all matters relating to this Chapter and Chapter 4 (Rules of Origin).

3. Upon the receipt of any matter raised by the customs administration of a Party, the customs administration of the other Party shall assign its own experts to look into the matter and to respond with its findings and proposed solution for resolving the matter within a reasonable time.

4. The Parties shall endeavour to resolve any matter raised under this Article through consultations between contact points. If the matter cannot be so resolved, the matter shall be referred to a customs committee established on an ad hoc basis pursuant to Article 22.1.

ARTICLE 5.16 : CONFIDENTIALITY

1. Nothing in this Agreement shall be construed to require a Party to furnish or allow access to confidential information, the disclosure of which would impede law enforcement, be contrary to the public interest, or prejudice the legitimate commercial interests of particular enterprises, public or private.

2. Each Party shall, in accordance with its domestic laws, maintain the confidentiality of information collected pursuant to this Chapter and protect it from disclosure that could prejudice the competitive position of the persons providing the information.

ARTICLE 5.17 : REVIEW

The Parties shall review the certification system agreed under this Chapter for issuing the certificate of origin at the review as provided in Article 22.1.

ANNEX 5A : AUTHORISED BODIES TO ISSUE CERTIFICATE OF ORIGIN

1. The following bodies, and their successor bodies, are authorised to issue Certificate of origin for the purposes of Chapter 5 (Customs Procedures):

(a) for Korea: Korea Customs Service, Korean Chamber of Commerce and Industry, any body authorised by the Government of Korea, in accordance with its laws and/or regulations, terms and conditions; and

(b) for Singapore: Singapore Customs, any body authorised by the Government of Singapore, in accordance with its laws and/or regulations, terms and conditions.

2. In the event any authorised body repeatedly or intentionally violates the requirements of this Chapter and Chapter 4 by wrongly issuing the certificate of origin, the exporting Party shall revoke such authorised body from issuing the certificate of origin under this Agreement. For this purpose, the exporting Party shall consider views of the customs administration of the importing Party in deciding on revoking the authorisation.

3. The exporting Party shall promptly inform the importing Party of any revocation, replacement or addition of the body that is authorised to issue the certification of origin.

ANNEX 5B : FORMAT OF THE CERTIFICATE OF ORIGIN ISSUED BY KOREA

<table>
<tr><td colspan="3">1. Exporter(Name, Address, Country, Tax ID No)</td><td colspan="3" rowspan="2">Reference No.:
KOREA-SINGAPORE
FREE TRADE AGREEMENT
PREFERENTIAL TARIFF
CERTIFICATE OF ORIGIN</td></tr>
<tr><td colspan="3">2. Importer(Name, Address, Country)</td></tr>
<tr><td colspan="3">3. Departure Date</td><td colspan="3">4 Vessel's Name/Flight No.</td></tr>
<tr><td colspan="6">5. Port of Discharge and Route(as far as known)</td></tr>
<tr><td colspan="3">6. Country of Final Destination</td><td colspan="3">7. Country of Origin</td></tr>
<tr><td>8. Item Number</td><td>9. Description of Goods</td><td>10. HS No. (6digit)</td><td>11. Marks & Numbers</td><td>12. Quantity & Unit</td><td>13. Origin Criterion</td></tr>
<tr><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td colspan="3">14. Declaration by the exporter
The undersigned hereby declares that the above details and statements are correct; that all the goods were produced in
_____
(Country)
and that they comply with the origin requirements specified for these goods in the KOREA-SINGAPORE FREE TRADE AGREEMENT for the goods exported to
_____
(Importing Country)

_____
(Place and Date, Signature of Authorized Signatory</td><td colspan="3">15. Certification
It is hereby certified that the goods originated in the territory of Korea, and comply with the origin requirements specified for those goods in KOREA-SINGAPORE FREE TRADE AGREEMENT.

_____
(Place and Date, Signature and Stamp of Certifying Authority)</td></tr>
</table>

EXPLANATORY NOTES TO THE FORMAT OF PREFERENTIAL CERTIFICATE OF ORIGIN ISSUED BY KOREA

Box No.	Description	Type of Information Required
1	Exporter	The name, address, country and Tax ID number of the exporter. The Tax ID number is a taxpayer identification number issued by National Tax Service of Korea.
2	Importer	The name, address and country of the importer.
3	Departure Date	The departure date when the vessel/aircraft left port/airport.
4	Vessel's Name/Flight No.	The vessel's name or the aircraft flight number.
5	Port of Discharge and Route	The final port from which the goods will be discharged. Where goods are transshipped, the additional details of the route may be declared in this box or in a separate attachment to this Certificate.
6	Country of Final Destination	The country of final destination must be Singapore.
7	Country of Origin	The country of origin must be Korea in accordance with Chapter 4 of this Agreement.
8	Item Number	
9	Description of Goods	The description of the products exported. This should be identical to the description of the products contained in the invoice. An accurate description will help the Customs Authority of the country of destination to clear your products quickly.
10	HS No(6 digit)	The 6-digit HS subheading for each good.
11	Marks & Numbers	The marks and numbers of the goods, to be attached in separate sheet, where necessary.
12	Quantity & Unit	The quantity and its unit of measurement (such as pieces, kg) of the goods.
13	Origin Criterion	The relevant origin criterion for each product.
14	Declaration by the Exporter	The exporter will sign in this box.
15	Certification	The certification body will fill in the issuing date and place as well as its signature and stamp.

	Reference No	A unique number will be assigned to each Certificate issued by the certification body of the exporting Party.

ANNEX 5C : FORMAT OF THE CERTIFICATE OF ORIGIN ISSUED BY SINGAPORE

<table>
<tr><td>1 Exporter (Name & Address) CR No.</td><td rowspan="2">REPUBLIC OF SINGAPORE

KOREA - SINGAPORE FREE TRADE AGREEMENT

PREFERENTIAL CERTIFICATE OF ORIGIN

No.

NO UNAUTHORISED ADDITION/ALTERATION MAY BE MADE TO THIS CERTIFICATE</td></tr>
<tr><td>2 Consignee (Name, Full Address & Country)</td></tr>
<tr><td>3 Departure Date</td><td rowspan="5">8 DECLARATION BY THE EXPORTER
We hereby declare that the details and statements provided in this Certificate are true and correct.

Signature:
Name:
Designation: Stamp
Date:</td></tr>
<tr><td>4 Vessel’s Name/Flight No.</td></tr>
<tr><td>5 Port of Discharge</td></tr>
<tr><td>6 Country of Final Destination</td></tr>
<tr><td>7 Country of Origin of Goods</td></tr>
<tr><td colspan="2">9 Marks & Numbers
10 No. & Kind of Packages
Description of Goods
(include brand names if necessary)

HS Subheading:

Origin Criterion:
11 Quantity & Unit</td></tr>
<tr><td colspan="2">12 CERTIFICATION BY THE COMPETENT AUTHORITY
We hereby certify that evidence has been produced to satisfy us that the goods specified above originate in the country shown in box 7.</td></tr>
</table>

EXPLANATORY NOTES TO THE FORMAT OF PREFERENTIAL CERTIFICATE OF ORIGIN ISSUED BY SINGAPORE

Box No.	Description	Type of Information Required
1	Exporter	The Central Registration Number, name and address of the exporter. The Central Registration Number is a unique number issued by Singapore Customs to companies which intend to import or export.
2	Consignee	The name and address of the importer.
3	Departure Date	The departure date when the vessel/aircraft left port/airport.
4	Vessel's Name/Flight No.	The vessel's name or the aircraft flight number.
5	Port of Discharge	The final port in which the goods will be discharged. Where goods are transshipped, the additional details of the route may be declared in box 10 or in a separate attachment to this Certificate.
6	Country of Final Destination	The country of final destination will be Korea.
7	Country of Origin of Goods	The country of origin must be Singapore.
8	Declaration by the Exporter	The exporter will sign in this box.
9	Marks & Numbers	The marks and numbers of the goods, to be attached in separate sheet, where necessary.
10	Number & Kind of Packages; Description of Goods	The following information will be declared in this box: • The description of the products exported. This should be identical to the description of the products contained in the invoice. An accurate description will help the Customs Authority of the country of destination to clear your products quickly. • The 6-digit HS subheading for each product. • The relevant origin criterion for each product.
11	Quantity & Unit	The quantity and its unit of measurement (such as pieces, kg) of the goods.
12	Certification by the	Signature and seal or stamp of the certification body

	Competent Authority	of the exporting Party.
	Certificate Reference Number	A unique number will be assigned to each Certificate issued by the certification body of the exporting Party.

ANNEX 5D : CUSTOMS CONTACT POINT

1. Customs Contact Point shall be:

   (a) for Korea, an internal organisation or person designated by the Minister of Finance and Economy; and
   (b) for Singapore, an internal organisation or person designated by Director-General of Singapore Customs.

2. Each Party shall exchange the following information of their contact points: name, address, telephone number and email address by date of the entry into force of the Agreement, or at any time thereafter upon agreement of the Parties.

CHAPTER 6
TRADE REMEDIES

ARTICLE 6.1 : DEFINITIONS

For the purposes of this Chapter:

domestic industry means the producers as a whole of the like or directly competitive products operating within the territory of a Party, or those whose collective output of the like or directly competitive products constitute a major proportion of the total domestic production of those products;

global safeguard measure means a measure applied under Article XIX of GATT 1994 and the WTO Agreement on Safeguards;

serious injury means a significant overall impairment in the position of a domestic industry;

substantial cause means a cause which is important and not less than any other cause; and

threat of serious injury means serious injury that, on the basis of facts and not merely on allegation, conjecture or remote possibility, is clearly imminent.

Article 6.2 : Anti-Dumping Measures

1. The Parties maintain their rights and obligations under Article VI of GATT 1994 and the Agreement on Implementation of Article VI of GATT 1994 ("WTO Agreement on Anti-dumping").

2. Anti-dumping actions taken pursuant to Articles VI of GATT 1994 and the WTO Agreement on Anti-dumping shall not be subject to Chapter 20 (Dispute Settlement).

3. Notwithstanding paragraph 1, the Parties shall observe the following practices in anti-dumping cases between them in order to enhance transparency in the

implementation of the WTO Anti-dumping Agreement:

(a) when anti-dumping margins are established on the weighted average basis, all individual margins, whether positive or negative, should be counted toward the average; and
(b) if a decision is taken to impose an anti-dumping duty pursuant to Article 9.1 of the WTO Agreement on Anti-dumping, the Party taking such a decision, should apply the 'lesser duty' rule, by imposing a duty which is less than the dumping margin where such lesser duty would be adequate to remove the injury to the domestic industry.

ARTICLE 6.3 : COUNTERVAILING MEASURES

1. The Parties maintain their rights and obligations under Article VI of GATT 1994 and the WTO Agreement on Subsidies and Countervailing Measures.

2. Countervailing measures taken pursuant to Article VI of GATT 1994 and the WTO Agreement on Subsidies and Countervailing Measures shall not be subject to Chapter 20 (Dispute Settlement).

Article 6.4 : Bilateral Safeguard Measures

1. Subject to paragraphs 2, 3, 4, 5, 6, 7 and 8, if, as a result of the reduction or elimination of a customs duty under this Agreement, an originating good of the other Party is being imported into the territory of a Party in such increased quantities, in absolute terms or relative to domestic production, and under such conditions that the imports of such originating good from the other Party constitute a substantial cause of serious injury or threat thereof, to a domestic industry producing a like or directly competitive good, such Party may:

(a) suspend further reduction of any rate of customs duty provided for under this Agreement for such originating good; or
(b) increase the rate of customs duty on such originating good to a level not to exceed the lesser of:
    (i) the most-favoured-nation ("MFN") applied rate of duty on the good in

effect at the time the action is taken; and

(ii) the MFN applied rate of duty on the good in effect on the day immediately preceding the date of entry into force of this Agreement.

2. A Party shall take a measure only following an investigation by that Party's competent authorities in accordance with Article 3 and paragraph 2 of Article 4 of the WTO Agreement on Safeguards. To this end, Article 3 and paragraph 2 of Article 4 of the WTO Agreement on Safeguards are incorporated into and made a part of this Agreement, *mutatis mutandis*. The investigation shall in all cases be completed within one year following its date of initiation.

3. A Party shall notify the other Party in writing upon initiation of an investigation provided for in paragraph 2 and shall consult with the other Party as far in advance of taking any such measure as practicable, with a view to reviewing the information arising from the investigation, exchanging views on the measure and reaching an agreement on compensation as set out in paragraph 8. If a Party takes a provisional measure pursuant to paragraph 7, the Party shall also notify the other Party prior to taking such measure, and shall initiate consultations with the other Party immediately after such measure is taken.

4. No measure may be maintained:

(a) except to the extent and for such period of time as may be necessary to prevent or remedy serious injury and to facilitate adjustment; or

(b) for a period exceeding two (2) years; except that the period may be extended by up to two (2) years if the competent authorities determine, in conformity with the procedures set out in paragraphs 1 through 3, that the measure continues to be necessary to prevent or remedy serious injury and to facilitate adjustment and that there is evidence that the industry is adjusting.

5. Where the expected duration of the measure is over one year, the Party applying such measure shall progressively liberalise it at regular intervals during the period of application.

6. Upon the termination of the measure, the rate of customs duty shall be the rate which would have been in effect but for the measure.

7. In critical circumstances, where delay would cause damage which would be difficult to repair, a Party may take a measure described in paragraph 1 on a provisional basis pursuant to a preliminary determination that there is clear evidence that imports from the other Party have increased as the result of the reduction or elimination of a customs duty under this Agreement, and such imports constitute a substantial cause of serious injury, or threat thereof, to the domestic industry. The duration of such provisional measure shall not exceed 200 days, during which time the requirements of paragraph 2 shall be met. Any tariff increases shall be promptly refunded if the investigation provided for in paragraph 2 does not result in a finding that the requirements of paragraph 1 are met. The duration of any provisional measure shall be counted as part of the period described in paragraph 4.

8. The Party applying a measure described in paragraph 1 shall provide to the other Party mutually agreed trade liberalising compensation in the form of concessions having substantially equivalent trade effects or equivalent to the value of the additional duties expected to result from the measure. If the Parties are unable to agree on compensation within thirty (30) days in the consultations under paragraph 3, the Party against whose originating good the measure is applied may take action with respect to originating goods of the other Party that has trade effects substantially equivalent to the measure. The Party taking such action shall apply the action only for the minimum period necessary to achieve the substantially equivalent effects, and in any event, only while the measure under paragraph 1 is being applied.

Article 6.5 : Global Safeguard Measures

1. The Parties maintain their rights and obligations under Article XIX of GATT 1994 and the WTO Agreement on Safeguards.

2. Actions taken pursuant to paragraph 1 of this Article shall not be subject to Chapter 20 (Dispute Settlement).

CHAPTER 7
SANITARY AND PHYTOSANITARY MEASURES

ARTICLE 7.1 : SANITARY AND PHYTOSANITARY MEASURES

1. The Parties shall not apply their sanitary and phytosanitary measures in a manner which would constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade.

2. The Parties shall ensure that any sanitary and phytosanitary measure is applied only to the extent necessary to protect human, animal or plant life or health, is based on scientific principles and is not maintained without sufficient scientific evidence.

3. The principles set out in paragraphs 1 and 2 shall be applied in accordance with the WTO Agreement on the Application of Sanitary and Phytosanitary Measures which is hereby incorporated into and made part of this Agreement.

4. To provide a means of consultation and exchange of information between the Parties on sanitary and phytosanitary matters and enable the response to queries from one Party to the other within a reasonable time, the Parties shall maintain and communicate through the following contact points[7-1]:

(a) for Korea, the Ministry of Agriculture and Forestry; and
(b) for Singapore, Agri-Food and Veterinary Authority.

[7-1] The communications and essential information exchanged between the Parties shall be in the English language. Particulars relating to the contact points shall be exchanged at the earliest possible, after the entry into force of this Agreement. The Parties understand that the communications between the Parties can be made via fax, e-mail or any other means agreed to by the Parties.

CHAPTER 8
TECHNICAL BARRIERS TO TRADE AND MUTUAL RECOGNITION

ARTICLE 8.1 : OBJECTIVE

The objectives of this Chapter are to increase and facilitate trade between the Parties through:

(a) the full implementation of the WTO Agreement on Technical Barriers to Trade ("WTO TBT Agreement");
(b) enhancing bilateral co-operation by deepening their mutual understanding and awareness of their respective standards, technical regulations and conformity assessment systems; and
(c) creating and improving the business climate so as to increase business opportunities.

ARTICLE 8.2 : SCOPE AND MODALITIES

1. This Chapter applies to standards, technical regulations and conformity assessment procedures that may directly or indirectly affect trade in goods between the Parties and/or assessments of manufacturers or manufacturing processes.

2. The Parties shall intensify their joint work in the field of standards, technical regulations, and conformity assessment procedures and/or assessments of manufacturers or manufacturing processes, with a view to facilitating market access. In particular, the Parties shall seek to identify initiatives that are appropriate for particular issues or sectors. Such initiatives may include co-operation on regulatory issues, such as, alignment to international standards, reliance on supplier's declaration of conformity, and use of accreditations to qualify conformity assessment bodies.

3. In this respect, the Parties recognise that a broad range of mechanisms exists to facilitate the acceptance of conformity assessment results, including:

(a) agreements on mutual acceptance of the results of conformity assessment procedures with respect to specified regulations conducted by bodies located in the territory of the other Party;
(b) accreditation procedures for qualifying conformity assessment bodies;
(c) government designation of conformity assessment bodies;
(d) recognition by a Party of the results of conformity assessments performed in the other Party's territory;
(e) voluntary arrangements between conformity assessment bodies from each Party's territory; and
(f) the importing Party's acceptance of a supplier's declaration of conformity.

To this end, the Parties shall intensify their exchanges of information on the variety of mechanisms to facilitate the acceptance of conformity assessment results. Any such arrangements shall be formalised in a Sectoral Annex, as appropriate.

4. In accordance with Article 2.4 of the WTO TBT Agreement, where technical regulations are required and relevant international standards exist or their completion is imminent, the Parties shall use them, or the relevant parts of such standards, as a basis for their Mandatory Requirements, except when such international standards or relevant parts of such standards would be an ineffective or inappropriate means for the legitimate objectives pursued, for instance, as a result of fundamental climatic or geographical factors or fundamental technological problems.

5. In determining whether an international standard, guide, or recommendation within the meaning of Articles 2 and 5, and Annex 3 of the WTO TBT Agreement exists, each Party shall apply the principles set out in "Section IX (Decision of the Committee on Principles for the Development of International Standards, Guides and Recommendations with relation to Articles 2 and 5, and Annex 3 of the Agreement) in the Decisions and Recommendations adopted by the Committee since 1 January 1995", G/TBT/1/Rev.8, 23 May 2002 and its Revision issued by the WTO Committee on Technical Barriers to Trade.

6. This Chapter does not apply to sanitary and phytosanitary measures as defined in the WTO Agreement on Application of Sanitary and Phytosanitary Measures which are covered by Chapter 7 (Sanitary and Phytosanitary Measures).

Article 8.3 : Definitions

1. For the purposes of this Chapter, all general terms concerning standards, and conformity assessment used in this Chapter shall have the meaning given in the definitions contained in the International Organisation for Standardisation/International Electrotechnical Commission (ISO/IEC) Guide 2:2004 "Standardization and related activities – General vocabulary" and ISO/IEC 17000:2004 "Conformity assessment – Vocabulary and general principles" published by the ISO and IEC, unless the context otherwise requires and as appropriate.

2 In addition, the following terms and definitions shall apply to this Chapter and its Sectoral Annexes unless a more specific meaning is given in the specified Sectoral Annex:

accept means the use of the results of conformity assessment procedures as a basis for regulatory actions such as approvals, licences, registrations and post-market assessments of conformity assessment;

acceptance has an equivalent meaning to **accept**;

certification body means a body, including product or quality systems certification bodies, that may be designated by a Party in accordance with this Chapter to conduct certification on compliance with its or the other Party's standards and/or specifications to meet relevant mandatory requirements;

confirmation means the confirmation of the compliance of the manufacturing or test facility with the criteria for confirmation by a competent authority of a Party pursuant to the mandatory requirements of the other Party;

competent authority means an authority of a Party with the power to conduct inspection or audits on facilities in its territory to confirm their compliance with mandatory requirements;

conformity assessment means any procedure concerned with determining directly or indirectly whether products, manufacturers or manufacturing processes fulfil relevant standards and/or specifications to meet relevant mandatory requirements set out in the

respective Party's mandatory requirements. The typical examples of conformity assessment procedures are sampling, testing, inspection, evaluation, verification, certification, registration, accreditation and approval, or their combinations;

conformity assessment body ("CAB") means a body that conducts conformity assessment procedures;

designation means the authorisation by a Party's designating authority of its CAB to undertake specified conformity assessment procedures pursuant to the mandatory requirements of the other Party;

designate has an equivalent meaning to "designation";

Designating Authority means a body established in the territory of a Party with the authority to designate, monitor, suspend or withdraw designation of conformity assessment bodies to conduct conformity assessment procedures within its jurisdiction in accordance with the other Party's mandatory requirements;

mandatory requirements means a Party's applicable laws, regulations and administrative provisions;

mutual recognition means that each Party, on the basis that it is accorded reciprocal treatment by the other Party:

(a) accepts the test reports of conformity assessment procedures of the other Party to demonstrate conformity of products and/or manufacturers/manufacturing processes with its mandatory requirements when the conformity assessment procedures are undertaken by conformity assessment bodies designated by the other Party in accordance with this Chapter, i.e., mutual recognition of test reports; or

(b) accepts the certification of results of conformity assessment procedures of the other Party to demonstrate conformity of products and/or manufacturers/manufacturing processes with its mandatory requirements when the conformity assessment procedures are undertaken by conformity assessment bodies designated by the other Party in accordance with this Chapter, i.e., mutual recognition of certification of conformity assessment;

registered conformity assessment body ("registered CAB") means a CAB registered pursuant to Article 8.5;

registration means the authorisation by a Party's Designating Authority of a CAB proposed by the other Party to undertake specified conformity assessment procedures pursuant to the Party's mandatory requirements;

Regulatory Authority means an entity that exercises a legal right to determine the mandatory requirements, control the import, use or supply of products within a Party's territory and may take enforcement action to ensure that products marketed within its territory comply with that Party's mandatory requirements including assessments of manufacturers/manufacturing processes of products;

Sectoral Annex is an Annex to this Chapter which specifies the implementation arrangements in respect of a specific product sector;

stipulated requirements means the criteria set out in a Sectoral Annex for the designation of CAB;

technical regulations shall have the same meaning as in the WTO TBT Agreement;

test facility means a facility, including independent laboratories, manufacturers' own test facilities or government testing bodies, that may be designated by one Party's Designating Authority in accordance with this Chapter to undertake tests according to the other Party's mandatory requirements; and

verification means an action to verify in the territories of the Parties, by such means as audits or inspections, compliance with the stipulated requirements for designation or criteria for confirmation by a conformity assessment body or a manufacturing or test facility respectively.

3. For the purposes of this Chapter the singular should be read to include the plural and vice-versa, when appropriate.

Article 8.4 : Origin

This Chapter applies to all products and/or assessments of manufacturers or manufacturing processes of products traded between the Parties, regardless of the origin of those products, unless otherwise specified in a Sectoral Annex, or unless otherwise specified by any mandatory requirement of a Party.

Article 8.5 : Mutual Recognition of Conformity Assessment

Scope

1. This Article shall apply to:

   (a) mandatory requirements and/or assessments of manufacturers or manufacturing processes, maintained by the Parties to fulfill their legitimate objectives and appropriate level of protection; and
   (b) the conformity assessment bodies and conformity assessment procedures for products as may be specified in the Sectoral Annexes.

2. For the purposes of this Article, a Sectoral Annex shall include *inter alia*:

   (a) provisions on scope and coverage;
   (b) applicable laws, regulations and administrative provisions, i.e., mandatory requirements of each Party concerning the scope and coverage;
   (c) applicable laws, regulations and administrative provisions of each Party stipulating the requirements covered by this Article, all the conformity assessment procedures covered by this Article to satisfy such requirements and the stipulated requirements or criteria for designation of conformity assessment bodies or the confirmation of the manufacturing or test facilities covered by this Article; and
   (d) the list of Designating Authorities or competent authorities.

Obligations

3. Each Party shall accept, in accordance with the provisions of this Article, the results of conformity assessment procedures required by the mandatory requirements of that Party specified in the relevant Sectoral Annex, including certificates and marks of conformity, that are conducted by the registered CABs of the other Party.

4. Korea shall accept the results of conformity assessment procedures to demonstrate conformity of products with its mandatory requirements when the conformity assessment procedures are undertaken by CABs designated by Singapore's Designating Authority and registered by Korea's Designating Authority in accordance with this Article.

5. Singapore shall accept the results of conformity assessment procedures to demonstrate conformity of products with its mandatory requirements when the conformity assessment procedures are undertaken by CABs designated by Korea's Designating Authority and registered by Singapore's Designating Authority in accordance with this Article.

Designating Authorities

6. For the purposes of this Article, each Party shall:

(a) unless otherwise provided in the relevant Sectoral Annex, designate a single Designating Authority to designate CABs to conduct conformity assessment procedures for products traded between the Parties, whether imports or exports;
(b) then notify the other Party of such designation and any subsequent changes thereof;
(c) notify the other Party of any scheduled changes concerning its Designating Authority; and
(d) ensure that its Designating Authority:
    (i) has the necessary power to designate, monitor (including verification), withdraw the designation of, suspend the designation of, and lift the suspension of the designation of, the CABs that conduct conformity assessment procedures within its territory based upon the requirements set out in the other Party's mandatory requirements as specified in the relevant Sectoral Annex; and
    (ii) consults, as necessary, with the relevant counterpart in the other Party to ensure the maintenance of confidence in conformity assessment procedures including processes. The consultations may include joint participation in audits related to conformity assessment procedures or other assessments of registered CABs, where such participation is

appropriate, technically possible and within reasonable cost.

Registration of CABs

7. The following procedures shall apply to the registration of a CAB:

(a) each Party shall make a proposal that a CAB of that Party designated by its Designating Authority be registered under this Article, by presenting its proposal in writing, supported by the necessary documents, to the other Party and the TBT Joint Committee established in accordance with Article 8.7 ("TBT Joint Committee");

(b) the other Party shall consider whether the proposed CAB complies with the stipulated and mandatory requirements specified in the relevant Sectoral Annex and communicate, to the Party making the proposal and the TBT Joint Committee in writing, the other Party's position regarding the registration of that CAB along with estimated date of registration within ninety (90) days from the date of receipt of the proposal referred to in paragraph (a). In such consideration, such other Party should assume that the proposed CAB complies with the aforementioned criteria. The TBT Joint Committee shall, within ninety (90) days from the date of receipt of the position of such other Party, decide whether to register the proposed CAB. Following the TBT Joint Committee's decision, a Party's Designating Authority shall inform the other Party about the date of registration of the proposed CAB within seven (7) days from the date of receipt of the TBT Joint Committee's decision; and

(c) In the event that the TBT Joint Committee cannot decide to register the proposed CAB, the TBT Joint Committee may decide to conduct joint verification with or request the proposing Party to conduct a verification of the proposed CAB with the prior consent of the CAB. After the completion of such verification, the TBT Joint Committee may reconsider the proposal.

8. The proposing Party shall provide the following information in its proposal for registration of a CAB and keep such information up-to-date:

(a) the name and address of the CAB;

(b) the products or processes the CAB is designated to assess;

(c) the conformity assessment procedures the CAB is designated to conduct; and

(d) the designation procedure and necessary information used to determine the compliance of the CAB with the stipulated requirements for designation.

9. Each Party shall ensure that its Designating Authority withdraws the designation of its CAB registered by the Designating Authority of the other Party when its Party's Designating Authority considers that the CAB no longer complies with the stipulated and mandatory requirements of the other Party set out in the relevant Sectoral Annex. The withdrawal of the designation shall be notified in writing to the other Party and the TBT Joint Committee. Each Party shall terminate the registration of a CAB when the Designating Authority of the other Party withdraws the designation of its CAB. The date of termination of registration of the CAB shall be the date of receipt of notification for withdrawal from the other Party.

10. Each Party shall propose the termination of the registration of its CAB when that Party considers that the CAB no longer complies with the stipulated requirements and mandatory requirements of that Party specified in the relevant Sectoral Annex. Proposal for terminating the registration of that CAB shall be made to the TBT Joint Committee and the other Party in writing. The registration of that CAB shall be terminated upon receipt by the Parties of the decision of the TBT Joint Committee.

11. In the case of a registration of a new CAB, the other Party shall accept the results of conformity assessment procedures conducted by that CAB from the date of the registration. In the event that the registration of a CAB is terminated, the other Party shall accept the results of the conformity assessment procedures conducted by that CAB prior to the termination, without prejudice to paragraphs 18 and 19.

12. Each Party shall notify the other Party of any scheduled changes concerning its designated CABs.

13. The Parties shall notify the general public of the registration of CABs, on a sector-by-sector basis.

Verification and Monitoring of Conformity Assessment Bodies

14. Each Party shall ensure that its Designating Authority:

(a) shall undertake through appropriate means such as audits, inspections or

monitoring, that the registered CABs designated by the Party fulfill the stipulated and mandatory requirements set out in the Sectoral Annex. When applying the stipulated requirements for designation of the CABs, the Designating Authority of a Party should take into account the bodies' understanding of and experience relevant to the mandatory requirements of the other Party;

(b) shall monitor and verify that the registered CABs designated by a Party maintain the necessary technical competence to demonstrate the conformity of a product with the standards, and/or specifications to meet the mandatory requirements of the other Party. This may include participation in appropriate proficiency-testing programmes and other comparative reviews such as mutual recognition agreements between non-governmental entities, so that confidence in their technical competence to undertake the required conformity assessment is maintained; and

(c) shall exchange information concerning the procedures such as accreditation systems used to designate CABs and to ensure that the registered CABs designated by a Party are technically competent and comply with the relevant stipulated requirements.

15. When in doubt, a Party may request other designating Party in writing whether or not a registered CAB complies with the stipulated requirements for that Party's designation as set out in the mandatory requirements in the Sectoral Annex and/or request for a verification of the CAB to be conducted in accordance with that Party's mandatory requirements.

16. A Party may, with the prior consent of the other Party, participate at its own expense, in the verification process of the CAB conducted by the Designating Authority of the other Party, provided that there is prior consent of such CABs, in order to maintain a continuing understanding of that other Party's procedures for verification.

17. Each Party shall encourage its registered CABs to co-operate with the CABs of the other Party.

Suspension and Lifting the Suspension of Designation of Conformity Assessment Bodies

18. In case of suspension of the designation of a registered CAB, the Party, shall

immediately notify the other Party and the TBT Joint Committee of the suspension. The registration of that CAB shall be suspended from the date of receipt of the decision of the TBT Joint Committee. The other Party shall accept the results of the conformity assessment procedures conducted by that CAB prior to the suspension of the designation.

19. In the case of lifting of suspension of the designation of a registered CAB, the Party shall immediately notify the other Party and the TBT Joint Committee of the lifting of suspension. The lifting of suspension of the registration of that CAB shall be effective from the date of the receipt of the decision of the TBT Joint Committee. The other Party shall accept the results of the conformity assessment procedures conducted by that CAB from the date of lifting of the suspension of the registration.

Challenge

20. Each Party shall have the right to challenge a registered CAB's technical competence and compliance with the relevant stipulated requirements specified in the Sectoral Annex. This right shall be exercised only in exceptional circumstances and when supported by relevant expert analysis and/or evidence. A Party shall exercise this right by notifying the other Party and the TBT Joint Committee in writing.

21. Except in urgent circumstances, the Party shall, prior to a challenge exercised under paragraph 20, enter into consultations with the other Party with a view to seeking a mutually satisfactory solution. In urgent circumstances, consultations shall take place immediately after the right to challenge has been exercised. In all cases, consultations shall be conducted with a view to resolving all issues and seeking a mutually satisfactory solution within twenty (20) days or as specified in the relevant Sectoral Annex. If this is not achieved, the TBT Joint Committee shall be convened to resolve the matter.

22. Unless the TBT Joint Committee decides otherwise, the registration of the challenged CAB shall be suspended by the relevant Designating Authority for the relevant scope of designation from the date when its technical competence or compliance is challenged, until either:

(a) the challenging Party is satisfied as to the competence and compliance of the CAB; or

(b) the designation of that CAB has been withdrawn.

23. The Sectoral Annex may provide for additional procedures such as verification and time limits to be followed in relation to a challenge. This may involve the TBT Joint Committee being activated. Where the TBT Joint Committee decides to conduct a joint verification, it shall be conducted in a timely manner by the Parties with the participation of the Designating Authority that designated the challenged CAB and with the prior consent of the CAB. The result of such joint verification shall be discussed in the TBT Joint Committee with a view to resolving the issue within twenty (20) days or the time limit specified in the Sectoral Annex.

24. The results of conformity assessment procedures undertaken by a challenged CAB on or before the date of its suspension or withdrawal shall remain valid for acceptance for the purposes of paragraphs 4 and 5.

Article 8.6 : Confidentiality

1. A Party shall not be required to disclose confidential proprietary information to the other Party except where such disclosure would be necessary for the other Party to demonstrate the technical competence of its designated CAB and conformity with the relevant stipulated requirements.

2. A Party shall, in accordance with its applicable laws and regulations, protect the confidentiality of any proprietary information disclosed to it in connection with conformity assessment procedures and/or designation activities.

3. Nothing in this Chapter shall be construed to require either Party to furnish or allow access to information the disclosure of which it considers would:

(a) be contrary to its essential security interests;
(b) be contrary to the public interest as determined by its domestic laws, regulations and administrative provisions;
(c) be contrary to any of its domestic laws, regulations and administrative provisions including but not limited to those protecting personal privacy or the financial affairs and accounts of individual customers of financial institutions;

(d) impede law enforcement; or
(e) prejudice legitimate commercial interests of particular public or private enterprises.

Article 8.7 : TBT Joint Committee

1. A TBT Joint Committee shall be established on the date of entry into force of this Agreement and it shall be responsible for the effective implementation of this Chapter.

2. The TBT Joint Committee shall be led by co-chairs from both Parties. The co-chairs shall be the initial contact point for the exchange of information. For this purpose, the Parties shall, through the co-chairs:

(a) broaden their exchange of information;
(b) notify any change in their mandatory requirements in accordance with their WTO obligations; and
(c) give favourable consideration to any written request for consultation. Each Party shall respond to a written request for information from the other Party in print or electronically without undue delay, and in any case within fifteen (15) days from the date of the request, at no cost or at reasonable cost.

3. The TBT Joint Committee shall comprise representatives from both Parties.

4. The TBT Joint Committee shall make decisions and adopt recommendations by consensus. The TBT Joint Committee shall meet, under the co-chairmanship of both Parties, when necessary to discharge its function, including upon the request of either Party.

5. The TBT Joint Committee shall:

(a) be responsible for administering and facilitating the effective functioning of this Chapter and applicable Sectoral Annex(es), including:
    (i) facilitating the extension of this Chapter, such as the addition of new Sectoral Annexes or an increase in the scope of existing Sectoral Annexes;
    (ii) resolving any questions or disputes relating to the interpretation or

application of this Chapter and applicable Sectoral Annex(es);

(iii) deciding on the registration of a CAB, suspension of registration of a CAB, lifting of suspension of registration of a CAB, and termination of registration of a CAB with reference to Article 8.5;

(iv) maintaining, unless the TBT Joint Committee decides otherwise, a list of registered CABs on a sector- by- sector basis;

(v) establishing appropriate modalities of information exchange referred to in this Chapter;

(vi) appointing experts from each Party for joint verification referred to in paragraph 16 of Article 8.5;

(vii) discharging such other functions as provided for in this Chapter; and

(viii) where appropriate, develop a work programme and mechanisms for co-operation in the areas of technical issues of mutual interest; and

(b) determine its own operational procedures.

6. In case a problem is not resolved through the TBT Joint Committee, the Parties shall have final recourse to dispute settlement under Chapter 20 (Dispute Settlement).

7. The TBT Joint Committee may, where necessary, establish ad hoc groups to undertake specific tasks relating to this Chapter.

8. Any decision made by the TBT Joint Committee shall be notified promptly in writing to each Party.

9. Each Party shall, as applicable, bring into effect the relevant decisions of the TBT Joint Committee.

Article 8.8 : Preservation of Regulatory Authority

1. Each Party retains all authority under its laws to interpret and implement its mandatory requirements.

2. This Chapter shall not:

(a) prevent a Party from adopting or maintaining, in accordance with its international rights and obligations, mandatory requirements, as appropriate

to its particular national circumstances;

(b) prevent a Party from adopting mandatory requirements to determine the level of protection it considers necessary to ensure the quality of its imports, or for the protection of human, animal or plant life or health, or the environment, or for the prevention of deceptive practices or to fulfil other legitimate objectives, at the levels it considers appropriate;

(c) limit the authority of a Party to take all appropriate measures whenever it ascertains that products may not conform to its mandatory requirements. Such measures may include withdrawing the products from the market, prohibiting their placement on the market, restricting their free movement, initiating a product recall, initiating legal proceedings or otherwise preventing the recurrence of such problems including through a prohibition on imports. If a Party takes such measures, it shall notify the other Party and the TBT Joint Committee, within fifteen (15) days of taking the measures, giving its reasons;

(d) oblige a Party to accept the standards or technical regulations or mandatory requirements of the other Party;

(e) entail an obligation upon a Party to accept the results of the conformity assessment procedures and/or assessment of manufacturers or manufacturing processes of products and their mandatory requirements of any third country save where there is an expressed agreement between the Parties to do so; and

(f) be construed so as to affect the rights and obligations of either Party as a member of the WTO TBT Agreement.

ARTICLE 8.9 : TERRITORIAL APPLICATION

This Chapter shall apply to the territory of Korea and to the territory of Singapore.

Article 8.10 : Language

1. Written communication between the Parties including between the TBT Joint Committee's co-chairs shall be in English.

2. A Party shall make every endeavour to provide, in English and in a timely manner,

information on mandatory requirements and other information or documents such as certificates, documentary evidence etc., necessary for the implementation of this Chapter and its Sectoral Annex(es).

3. The TBT Joint Committee meetings shall be conducted in English.

4. The decisions and records of the TBT Joint Committee shall be drawn up in English.

Article 8.11 : Sectoral Annexes

1. The Parties shall conclude, as appropriate, Sectoral Annexes which shall provide the implementing arrangements for this Chapter.

2. The Parties shall:

(a) specify and communicate to each other the applicable articles or annexes contained in the mandatory requirements set out in the Sectoral Annexes;
(b) exchange information concerning the implementation of the mandatory requirements specified in the Sectoral Annexes;
(c) notify each other of any scheduled changes in its mandatory requirements whenever they are made; and
(d) notify each other of any scheduled changes concerning their Designating Authorities and the registered CABs.

3. A Sectoral Annex shall enter into force on the first day of the second month following the date on which the Parties have exchange notes confirming the completion of their respective (domestic legal) procedures for the entry into force of that Sectoral Annex.

4. A Party may terminate a Sectoral Annex in its entirety by giving the other Party six (6) months' advance notice in writing unless otherwise stated in the relevant Sectoral Annex. However, a Party shall continue to accept the results of conformity assessment for the duration of the six-month notice period.

5. Where urgent problems of safety, health, consumer or environment protection or

national security arise or threaten to arise for a Party, that Party may suspend the operation of any Sectoral Annex, in whole or in part, immediately. In such a case, the Party shall immediately advise the other Party of the nature of the urgent problem, the products covered and the objective and rationale of the suspension.

6. If a Party introduces new or additional conformity assessment procedures with the same product coverage to satisfy the requirements set out in the mandatory requirements specified in the Sectoral Annex, the Sectoral Annex shall be amended to set out the applicable laws, regulations and administrative provisions stipulating such new or additional conformity assessment procedures.

7. In case of conflict between the provisions of a Sectoral Annex and this Chapter, the provisions of the Sectoral Annex shall prevail.

ANNEX 8A: SECTORAL ANNEX ON TELECOMMUNICATION EQUIPMENT

1. Each Party shall, at the APEC Telecommunications and Information Working Group ("APEC TEL"), take steps to implement Phase I and Phase II of the APEC TEL Mutual Recognition Arrangement for Conformity Assessment of Telecommunication Equipment ("APEC TEL MRA") with respect to the other Party, upon the readiness by Korea to comply with the APEC TEL MRA.

2. The provisions of Chapter 8 (Technical Barriers to Trade and Mutual Recognition) do not apply to this Sectoral Annex.

July 18th, 2005

H.E. LIM Hng Kiang
Minister for Trade and Industry
Republic of Singapore

Dear H.E. LIM Hng Kiang:

I have the honour to refer to the Free Trade Agreement between the government of the Republic of Korea and the government of the Republic of Singapore ("the Agreement") signed in Seoul on August 4th , 2005

Resulting from the above Agreement, I have the honour of confirming the understanding of both Parties that in relation to Chapter 8 (Technical Barriers to Trade and Mutual Recognition) of the Agreement, a Sectoral Annex on electrical and electronic equipment under the Agreement shall be established and that the details of such Sectoral Annex shall be negotiated and such negotiations shall be completed as soon as possible, at the latest at the first meeting to review this Agreement as provided under Article 22.1.

For the purpose of such negotiations, Parties shall consider the drafts of the Sectoral Annex that have been exchanged between them.

I would be grateful if you would confirm that the understanding of my Government as stated above is shared by your Government and that this understanding shall be treated as an integral part of the Agreement.

Sincerely,

Han-soo Kim
Director General
Free Trade Agreement Bureau
Ministry of Foreign Affairs and Trade
Republic of Korea

Mr. Han-soo Kim
Director General
Free Trade Agreement Bureau
Ministry of Foreign Affairs and Trade
Republic of Korea

Dear Mr. Kim:

I have the honour to acknowledge the receipt of your letter dated [Date], which reads as follows:

"I have the honour to refer to the Free Trade Agreement between the government of the Republic of Korea and the government of the Republic of Singapore ("the Agreement") signed at [place] on [date].

Resulting from the above Agreement, I have the honour of confirming the understanding of both Parties that in relation to Chapter 8 (Technical Barriers to Trade and Mutual Recognition) of the Agreement, a Sectoral Annex on electrical and electronic equipment under the Agreement shall be established and that the details of such Sectoral Annex shall be negotiated and such negotiations shall be completed as soon as possible, at the latest at the first meeting to review this Agreement as provided under Article 22.1.

For the purpose of such negotiations, Parties shall consider the drafts of the Sectoral Annex that have been exchanged between them.

I would be grateful if you would confirm that the understanding of my Government as stated above is shared by your Government and that this understanding shall be treated as an integral part of the Agreement."

I have the honor of confirming that this understanding is shared by my Government and that this understanding shall constitute an integral part of the Agreement.

Sincerely,

_____

[Singapore Representative]

[Title]

CHAPTER 9
CROSS-BORDER TRADE IN SERVICES

ARTICLE 9.1 : DEFINITIONS

For the purposes of this Chapter:

cross-border provision of services or **cross-border trade in services** means the provision of a service:

(a) from the territory of a Party into the territory of the other Party;
(b) in the territory of a Party by a person of that Party to a person of the other Party; or
(c) by a national of a Party in the territory of the other Party;

but does not include the provision of a service in the territory of a Party by an investment as defined in Article 10.1;

financial services is as defined in Chapter 12 (Financial Services);

professional services means services, the provision of which requires specialised post-secondary education, or equivalent training or experience, and for which the right to practice is granted or restricted by a Party, but does not include services provided by trades-persons or vessel and aircraft crew members; and

service provider of a Party means a person of a Party that seeks to provide or provides a service[9-1].

ARTICLE 9.2 : SCOPE AND COVERAGE

[9-1] The Parties understand that "seeks to provide or provides a service" has the same meaning as supplies a service as used in GATS Article XXVIII(g).

1. This Chapter applies to measures adopted or maintained by a Party affecting cross-border trade in services by service providers of the other Party, including measures with respect to:

(a) the production, distribution, marketing, sale and delivery of a service;
(b) the purchase or use of, or payment for, a service;
(c) the access to and use of distribution and transportation systems in connection with the provision of a service;
(d) the presence in its territory of a service provider of the other Party; and
(e) the provision of a bond or other form of financial security as a condition for the provision of a service.

2. For the purposes of this Chapter, measures adopted or maintained by a Party mean measures adopted or maintained by central, or local governments and authorities or by non-governmental bodies in the exercise of any regulatory, administrative or other governmental authority delegated by central, or local governments and authorities.

3. This Chapter does not apply to:

(a) measures adopted or maintained by a Party to the extent that they are covered by Chapter 12 (Financial Services) unless specified otherwise therein;
(b) government procurement which shall be governed by Chapter 16 (Government Procurement);
(c) subsidies or grants, including government-supported loans, guarantees and insurance; or to any conditions attached to the receipt or continued receipt of such subsidies or grants, whether or not such subsidies or grants are offered exclusively to domestic services, service consumers or service suppliers;
(d) services provided in the exercise of governmental authority (such as law enforcement, correctional services, income security or insurance, social security or insurance, social welfare, public education, public training, health, and child care), provided that such services are supplied neither on a commercial basis, nor in competition with one or more service providers; and
(e) transportation and non-transportation air services, including domestic and international services, whether scheduled or non-scheduled, and related services in support of air services[9-2], other than:

[9-2] The Parties understand that ground handling services are part of related services in support of air

(i) aircraft repair and maintenance services,
(ii) the selling and marketing of air transport services; and
(iii) computerised reservation system services.

4. Nothing in this Chapter shall be construed to impose any obligation on a Party with respect to a national of the other Party seeking access to its employment market, or employed on a permanent basis in its territory, or to confer any right on that national with respect to such access or employment.

5. Article 9.11 shall also apply to measures by a Party affecting the supply of a service in its territory by investors of the other Party or investments of investors of the other Party as defined in Article 10.1[9-3].

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ARTICLE 9.3 : NATIONAL TREATMENT

1. Each Party shall accord to services and service providers of the other Party treatment no less favourable than that it accords, in like circumstances, to its own services and service providers.

2. The treatment to be accorded to a Party under paragraph 1 means, with respect to measures adopted or maintained by a local government, treatment no less favourable than the most favourable treatment accorded, in like circumstances, by that local government to service providers of the Party of which it forms a part, including itself.

ARTICLE 9.4 : LOCAL PRESENCE

Neither Party shall require a service provider of the other Party to establish or maintain a representative office or any form of enterprise, or to be resident, in its territory as a condition for the cross-border provision of a service.

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services.

[9-3] The Parties understand that nothing in this Chapter, including this paragraph, is subject to investor-state dispute settlement pursuant to Section C of Chapter 10 (Investment).

ARTICLE 9.5 : MARKET ACCESS

Neither Party shall adopt or maintain, either on the basis of a regional subdivision or on the basis of its entire territory, measures that:

(a) limit:
  (i) the number of service suppliers whether in the form of numerical quotas, monopolies, exclusive service suppliers or the requirement of an economic needs test;
  (ii) the total value of service transactions or assets in the form of numerical quotas or the requirement of an economic needs test;
  (iii) the total number of service operations or the total quantity of services output expressed in terms of designated numerical units in the form of quotas or the requirement of an economic needs test; [9-4]
  (iv) the total number of natural persons that may be employed in a particular service sector or that a service supplier may employ and who are necessary for, and directly related to, the supply of a specific service in the form of numerical quotas or the requirement of an economic needs test; and
(b) restrict or require specific types of legal entity or joint venture through which a service supplier may supply a service.

ARTICLE 9.6 : NON-CONFORMING MEASURES

1. Articles 9.3, 9.4 and 9.5 do not apply to:

(a) any existing non-conforming measure that is maintained by a Party as set out in its Schedule to Annex 9A; or
(b) the continuation or prompt renewal of any non-conforming measure referred to in paragraph (a); or
(c) an amendment to any non-conforming measure referred to in paragraph (a) to the extent that the amendment does not decrease the conformity of the measure, as it existed immediately before the amendment, with Articles 9.3 , 9.4 and 9.5 .

[9-4] This paragraph does not cover measures of a Party which limits inputs for the supply of services.

2. Articles 9.3, 9.4 and 9.5 do not apply to any measure that a Party adopts or maintains with respect to sectors, subsectors or activities, as set out in its Schedule to Annex 9B.

3. Article 9.11 shall not apply to:

(a) any existing non-conforming measure that is maintained by a Party as set out in Annex 9A; or
(b) any existing or new measure that a Party adopts or maintains with respect to sectors, subsectors or activities as set out in Annex 9B.

ARTICLE 9.7 : ADDITIONAL COMMITMENTS

The Parties may negotiate commitments with respect to measures affecting trade in services not subject to scheduling under Article 9.6, including those regarding qualifications, standards or licensing matters. Such commitments shall be inscribed in a Party's Schedule of specific commitments in Annex 9C.

ARTICLE 9.8 : FUTURE LIBERALISATION

1. The Parties will, through future negotiations, to be scheduled pursuant to the Article 22.1, further deepen liberalisation with a view to reaching the reduction or elimination of the remaining restrictions scheduled in conformity with Article 9.6 and to adding additional commitments to Article 9.7, on a mutually advantageous basis and at ensuring an overall balance of rights and obligations.

2. If a Party makes any further liberalisation of the remaining restrictions scheduled in conformity with Article 9.6 or any additional commitments scheduled in conformity with Article 9.7 by an agreement with a non-Party, it shall afford adequate opportunity to the other Party to negotiate treatment granted therein on a mutually advantageous basis and with a view to securing an overall balance of rights and obligations.

ARTICLE 9.9 : PROCEDURES

At the first or subsequent review of this Agreement pursuant to Article 22.1, the Parties shall establish procedures for:

(a) a Party to notify and include in its relevant Schedule:
    (i) additional commitments pursuant to Article 9.7; and
    (ii) amendments of measures referred to in paragraph 1(c) of Article 9.6 ; and
(b) consultations on non-conforming measures or additional commitments with a view to further liberalisation.

ARTICLE 9.10 : RECOGNITION

1. For the purposes of the fulfillment of, in whole or in part, its standards or criteria for the authorisation, licensing or certification of services suppliers, and subject to the requirements in paragraph 3, a Party may recognise the education or experience obtained, requirements met, or licenses or certifications granted in the other Party. Such recognition, which may be achieved through harmonisation or otherwise, may be based upon an agreement or arrangement between the Parties, or may be accorded autonomously.

2. A Party that is a party to an agreement or arrangement of the type referred to in paragraph 1, whether existing or future, shall afford adequate opportunity for the other Party, if the other Party is interested, to negotiate its accession to such an agreement or arrangement or to negotiate comparable ones with it. Where a Party accords recognition autonomously, it shall afford adequate opportunity for the other Party to demonstrate that education, experience, licences, or certifications obtained or requirements met in that other Party's territory should be recognised.

3. A Party shall not accord recognition in a manner which would constitute a means of discrimination between countries in the application of its standards or criteria for the authorisation, licensing or certification of services suppliers, or a disguised restriction on trade in services.

4. Annex 9D applies to measures adopted or maintained by a Party relating to the licensing or certification of professional service providers.

ARTICLE 9.11 : DOMESTIC REGULATION

1. Each Party shall ensure that all measures of general application affecting trade in services are administered in a reasonable, objective and impartial manner.

2. Each Party shall maintain or institute as soon as practicable judicial, arbitral or administrative tribunals or procedures which provide, at the request of an affected service supplier of the other Party, for the prompt review of, and where justified, appropriate remedies for, administrative decisions affecting trade in services. Where such procedures are not independent of the agency entrusted with the administrative decision concerned, the Party shall ensure that the procedures in fact provide for an objective and impartial review.

3. Paragraph 2 shall not be construed to require a Party to institute such tribunals or procedures where this would be inconsistent with its constitutional structure or the nature of its legal system.

4. Where authorisation is required for the supply of a service, the competent authorities of a Party shall, within a reasonable period of time after the submission of an application considered complete under domestic laws and regulations, inform the applicant of the decision concerning the application. At the request of the applicant, the competent authorities of the Party shall provide, without undue delay, information concerning the status of the application.

5. With the objective of ensuring that measures relating to qualification requirements and procedures, technical standards and licensing requirements do not constitute unnecessary barriers to trade in services, the Parties shall jointly review theresults of the negotiations on disciplines on these measures, pursuant to Article VI.4 of GATS, with a view to their incorporation into this Agreement. The Parties note that such disciplines aim to ensure that such requirements are *inter alia*:

(a) based on objective and transparent criteria, such as competence and the ability to supply the service;
(b) not more burdensome than necessary to ensure the quality of the service;
(c) in the case of licensing procedures, not in themselves a restriction on the supply of the service.

6. Pending the incorporation of disciplines pursuant to pararaph 5, a Party shall not apply licensing and qualification requirements and technical standards that nullify or impair its obligations under this Chapter in a manner which:

(a) does not comply with the criteria outlined in paragraphs 5(a), (b) or (c); and
(b) could not reasonably have been expected of that Party at the time the obligations were undertaken.

7. In determining whether a Party is in conformity with its obligations under paragraph 6, account shall be taken of international standards of relevant international organisations[9-5] applied by that Party.

ARTICLE 9.12 : DENIAL OF BENEFITS

Subject to prior notification and consultation in accordance with Article 19.3 and Article 20.4, a Party may deny the benefits of this Chapter to a service provider of the other Party where the Party establishes that the service is being provided by an enterprise that is owned or controlled by persons of a non-Party and that has no substantive business operations in the territory of the other Party.

ARTICLE 9.13 : MONOPOLY AND EXCLUSIVE SERVICE SUPPLIERS

1. Each Party shall ensure that any monopoly supplier of a service in its territory does not, in the supply of the monopoly service in the relevant market, act in a manner inconsistent with the Party's obligations under Articles 9.3 and 9.5.

2. Where a Party's monopoly supplier competes, either directly or through an affiliated company, in the supply of a service outside the scope of its monopoly rights and which is subject to that Party's obligations under Articles 9.3 and 9.5, the Party shall ensure that such a supplier does not abuse its monopoly position to act in its territory in a manner inconsistent with such commitments.

[9-5] The term “relevant international organisations” refers to international bodies whose membership is open to relevant bodies of both Parties.

3. If a Party has reason to believe that a monopoly supplier of a service of the other Party is acting in a manner inconsistent with paragraph 1 or 2, it may request the other Party establishing, maintaining or authorising such supplier to provide specific information concerning the relevant operations in its territory.

4. The provisions of this Article shall also apply to cases of exclusive service suppliers, where a Party, formally or in effect, (a) authorises or establishes a small number of service suppliers and (b) substantially prevents competition among those suppliers in its territory.

ARTICLE 9.14 : MODIFICATION OR ADDITION OF RESERVATIONS

1. By giving three (3) months of written notification to the other Party, a Party may modify or add to its non-conforming measures as set out in Annex 9A and add new sectors, sub-sectors or activities to its reservations set out in Annex 9B. At the request of the other Party, it shall hold consultations with a view to reaching agreement on any necessary adjustment required to maintain the overall balance of commitments undertaken by each Party under this Agreement. If agreement is not reached between the Parties on any necessary adjustment, the matter may be referred to arbitration in accordance with Chapter 20 (Dispute Settlement).

2. Paragraph 1 shall not be construed to prejudice the right of both Parties to maintain any existing measure or adopt new measures consistent with the reservations set out in Annexes 9A and 9B.

3. Within two (2) years after the date of entry into force of this Agreement, a Party may modify or add to its reservations as set out in Annex 9A in respect of any measure inconsistent with Article 9.5 so long as such a measure has been maintained by that Party before the date of the signature of this Agreement.

ARTICLE 9.15 : PAYMENTS AND TRANSFERS

1. Subject to its reservations pursuant to Article 9.6 and except under the circumstances envisaged in Article 9.16, a Party shall not apply restrictions on

international transfers and payments for current transactions.

2. Nothing in this Chapter shall affect the rights and obligations of the Parties as members of the International Monetary Fund under the Articles of Agreement of the Fund, including the use of exchange actions which are in conformity with the Articles of Agreement, provided that a Party shall not impose restrictions on any capital transactions inconsistently with its obligations under this Chapter regarding such transactions, except under Article 9.16, or at request of the Fund.

ARTICLE 9.16 : BALANCE- OF- PAYMENTS EXCEPTION

1. Where a Party is in serious balance of payments and external financial difficulties or threat thereof, it may, in accordance with Articles XI and XII of GATS adopt or maintain restrictions on trade in services on which it has obligations, including on payments or transfers for transactions related to such commitments. Articles XI and XII of GATS is hereby incorporated into and made part of this Agreement.

2. The Party introducing a measure under this Article shall promptly notify the other Party.

ANNEX 9A : RESERVATION FOR EXISTING MEASURES AND LIBERALIZATION COMMITMENTS

Section 1: Headnotes

1. Where appropriate, reservations are referenced to the Provisional Central Product Classification (CPC) as set out in Statistical Office of the United Nations Statistical Papers, Series M, No. 77, Provisional Central Product Classification, 1991 (UN CPC code).

2. This Annex sets out the reservations taken by each Party for measures that do not conform with obligations imposed by Articles 9.3, 9.4 and 9.5, and Articles 10.4 , 10.7 and 10.8.

3. All measures affecting Articles 9.3, 9.4 and 9.5, and Articles 10.4 , 10.7 and 10.8 shall be stated in the description. In the interpretation of a reservation, all elements of the reservation shall be considered in their totality.

4. Local Presence and National Treatment are separate disciplines and a measure that is only inconsistent with Local Presence need not be reserved against National Treatment.

5. If the non-conforming measures listed in Annex 9A are measures of the central government and are delegated to a local government after the entry into force of this Agreement, the local government, thereafter, shall have the same level of power to maintain or amend those non-conforming measures as the central government did.

6. The reservations and commitments relating to trade in services shall be read together with the relevant guidelines, stated in GATT documents MTN.GNS/W/164 dated 3 September 1993 and MTN.GNS/W/164 Add.1 dated 30 November 1993.

7. Each reservation sets out the following elements:

(a) **Sector** refers to the general sector in which the reservation is taken;

(b) **Sub-Sector** refers to the specific sector in which the reservation is taken;

(c) **Industry Classification** refers, where applicable, to the activity covered by the reservation according to the UN CPC code or domestic industry

classification codes;

(d) **Type of Reservation** specifies the obligation (Market Access, National Treatment, Local Presence, Performances Requirements, Senior Management and Board of Directors) for which a reservation is taken;

(e) **Source of Measure** identifies the laws, regulations, rules, procedures, decisions, administrative actions or any other forms in relation to the non-conforming measures for which the reservation is taken. A measure cited in the **Source of Measure** element is any existing measure in force as of the date of entry into force of this Agreement and any subordinate measure adopted or maintained thereunder;

(f) **Description of Reservation** sets out the non-conforming measure to which the reservation applies; and

(g) **Phase-out** sets out commitments, if any, for liberalization after the date of entry into force of this Agreement.

Section 2 : Schedule of Korea

Sector: All Sectors

Sub-sector:

Industry Classification:

Type of Reservation: National Treatment

Source of Measure: Article 5 and 8 of the *Foreign Investment Promotion Act (Law No. 7039*, Dec. 31, 2003)
Article 6 and 8 of the *Enforcement Decree of the Foreign Investment Promotion Act (Presidential Decree No. 1822*1, Jan. 13, 2004)
Article 2 and 5 of the *Ordinance of Foreign Investment Promotion Act*

Description: Investment

A foreigner who intends to make a foreign direct investment shall, in advance, make report to the Minister of Commerce, Industry and Energy in accordance with the Ordinance of the Ministry of Commerce, Industry and Energy. The same shall apply to any modification of matters such as the amount of foreign direct investment and the ratio.

The term "foreign direct investment" shall refer to any of the following;

(a) Where a foreigner purchases, under the conditions prescribed by the Presidential Decree, stocks or holdings of a Korean corporation (including a Korean corporation in the process of being established) or a company run by a national of the Republic of Korea, for the purpose of establishing a

continuous relationship with and participating in the management of said Korean corporation or company;

(b) Where a loan with the maturity of not less than five years is extended to a foreign-capital invested company by its overseas holding company or by a company in a relationship with said holding company of the capital investment prescribed by the Presidential Decree;

Sector: All Sectors

Sub-sector:

Industry Classification:

Type of Reservation: Performance Requirements

Source of Measure: Law No. 7154 Articles 24, 27 of the *Act on Employment Promotion and Vocational Rehabilitation for the Disabled,* Jan. 29, 2004
Presidential Decree No. 18415 Article 24 of the *Enforcement Decree of the Act,* June 5, 2004

Description: Investment

Owners of a business hiring over a particular number of workers (currently 50 workers or more) are required to employ the disabled within 5 percent of the total number of employees as set by the Presidential Decree (currently at 2%). Those who fail to meet this requirement will have to pay a levy.

Sector:	Business Services
Sub-sector:	Professional Services
Industry Classification:	CPC 8671 Architectural Services
Type of Reservation:	Local Presence
Source of Measure:	Article 23 of the *Certified Architects Act (Law No. 6503*, Aug. 14, 2001) Articles 22, 23 of *its Enforcement Decree (Presidential Decree No. 18312,* Mar. 17, 2004) Article 13 of *its Enforcement Regulations (Ordinance of the MOCT No. 368,* Jul. 25, 2003)
Description:	<u>Cross-Border Trade in Services</u> A person who intends to operate architectural services business shall hold a license issued in Korea, shall establish an office in Korea, and shall register with the Minister of Construction and Transportation(MOCT) as required by the Certified Architects Act, its Enforcement Decree and its Enforcement Regulation.

Sector:	Business Services
Sub-sector:	Industrial Safety and Health Institution
Industry Classification:	CPC 867 Architectural, Engineering and Other Technical Services CPC 92900 Other Education Services CPC 93199 Other Human Health Services
Type of Reservation:	Local Presence
Source of Measure:	*Law No. 6847* The Article 15, 16, 30, 31, 36, 42, 43, 49 of the *Industrial Safety & Health Act*, Dec, 30, 2002
Description:	Cross-Border Trade in Services

In the case where an occupational safety·health service institution wishes to provide safety·health management or diagnosis service under the Industrial Safety and Health Act, the institution must be present in the territory of Republic of Korea, should have manpower, facilities and equipments prescribed by safety·health related regulations and should be designated by the Director of the Regional Labor Office in charge of the area that the business, they wish to provide the service, is located.

* Type of service institution : Safety management service institution(Article 15), Health management service institution(Article 16), Specialized institution providing guidance on accident prevention(Article 30), Designated educational institution(Article 31), Designated inspection institution for dangerous machines and instruments(Article 36), Designated monitoring institution(Article 42), Special health examination institution(Article 43), Safety and health

diagnosis institution(Article 49)

Sector: Business Services

Sub-Sector: Other Business Services

Industry Classification: CPC 86752~4 Science and Technology Related Consulting Services (Surveying Business)

Type of Reservation: Local Presence

Source of Measure: Article 39 of the *Surveying Act (Law No. 7102*, Jan. 20, 2004)
Articles 15, 16, 18 of *its Enforcement Decree (Presidential Decree No. 18476*, Jan. 20, 2004)
Article 19 of *its Enforcement Regulations (Ordinance of the MOCT No. 404*, Jul. 21, 2004)

Description: Cross-Border Trade in Services

A person who intends to operate a surveying business shall establish an office and register with the Minister of Construction and Transportation or with the mayor of "shi" or governor of "do" according to the categories as set by the Presidential Decree.

** It is understood that the stipulations of Article 18 table 2 of the Presidential Decree ("a foreigner applying for registration of surveying business shall have established and registered a place of business within Korea") is to emphasize the LP requirement.

Sector: Business services

Sub-Sector: Advertising

Industry Classification: CPC 871 – Advertising Services

Type of Reservation: Performance Requirements
Senior Management and Boards of Directors

Source of Measure: *Law No.7213,* The Article 13 and 73 of the *Broadcasting Act,* March 22, 2004
Law No.6138, The Article 11 of *Korea Broadcasting Advertising Corporation Act*, Jan 12, 2000

Description: Investment

Those who are not Korean nationals shall not be the representative or chief programmer of an electric billboard operator.

A representative of a foreign legal entity or organization shall not be the representative or chief programmer of an electric billboard operator.

There are minimum non-profit advertisement requirements for electric billboard broadcasting services.

Those who are not Korean nationals shall not be the representative or member of Board of Directors of Korea Broadcasting Advertising Corporation.

Sector:	Business Services
Sub-Sector:	Professional Services
Industry Classification:	CPC 8672 Engineering Services
Type of Reservation:	Local Presence
Source of Measure:	Article 8 of *Act on Assessment of Impacts of Works on the Environment, Traffic, Disasters, etc. (Law No. 7186*, Mar. 11, 2004) Article 4, 5 of *its Enforcement Regulation (Ordinance of the MOCT No. 383,* Dec. 19, 2003)
Description:	Cross-Border Trade in Services A person who intends to establish a "traffic impact assessment agency" for the purpose of providing traffic impact assessment services shall hold a proper license (professional engineer in the field of transportation) issued in Korea, shall establish a business in Korea, and shall register with the Minister of Construction and Transportation in accordance with the Act on Assessment of Impacts of Works on the Environment, Traffic, Disasters, etc. and its Enforcement Regulation.

Sector:	Business Services
Sub-sector:	Professional Services
Industry Classification:	CPC 8672 Engineering Services CPC 8673 Integrated Engineering Services CPC 86762 Testing & analysis services of physical properties
Type of Reservation:	Local Presence
Source of Measure:	Article 9 of the *Special Act on the Safety Control of Public Structures (Law No. 6941*, Jul 25. 2003) Articles 10, 11 *of its Enforcement Decree (Presidential Decree No. 18312*, Mar. 17, 2004) Articles 25, 28 of *the Construction Technology Management Act (Law No. 7171*, Feb. 9, 2004) Articles 49, 54 of *its Enforcement Decree (Presidential Decree No.18312*, Mar. 17, 2004)
Description:	<u>Cross-Border Trade in Services</u> A person who intends to provide safety check and precision safety diagnosis of facilities services shall establish a business office in Korea and register as a "specialized safety diagnosis agency" with the Minister of Construction & Transportation as stipulated in the Special Act on the Safety Control of Public Structures, its Enforcement Decree, and its Enforcement Regulation. A person who intends to establish a "specialized institution for quality inspection" for the purpose of providing quality control testing/inspection of construction work services shall establish an office in Korea and register with the Minister of Construction and Transportation in accordance with the Construction Technology Management Act, its

Enforcement Decree, and its Enforcement Regulation.

A person who intends to provide supervising services of construction works shall establish an office in Korea and register as a “specialized construction supervising firm” with the Minister of Construction and Transportation as stipulated in the Construction Technology Management Act, its Enforcement Decree, and its Enforcement Regulation.

Sector:	Business Services
Sub-sector:	Real Estate Services
Industry Classification:	CPC 821, 822 Real Estate Services
Type of Reservation:	Local Presence
Source of Measure:	Article 4 of the *Real Estate Brokerage Act (Law No. 6236*, Jan. 28, 2000) Articles 3, 5 of *its Enforcement Decree (Presidential Decree No. 18312*, Mar. 17, 2004) Article 2 of *its Enforcement Regulation (Ordinance of the MOCT No. 338*, Nov. 11, 2002) Articles 18, 19 of the *Public Notice of Values and Appraisal of Lands, etc. Act (Law No. 6655,* Feb. 4, 2002) Articles 27, 29, 30, 31 of *its Enforcement Decree (Presidential Decree No. 18312*, Mar. 17, 2004) Articles 11, 13, 14 of *its Enforcement Regulation (Ordinance of the MOCT No. 354*, Apr. 1, 2003)

Description:

Cross-Border Trade in Services

A person who intends to provide real estate brokerage services shall hold a real estate broker license issued in Korea, shall establish a brokerage office in Korea, and shall register with the head of shi/gun/gu as stipulated by the Real Estate Brokerage Act, its Enforcement Decree, and its Enforcement Regulation.

A person who intends to provide real estate appraisal services shall hold a license issued in Korea, shall establish a real estate appraisal office, a joint real estate appraisal office, or real estate appraisal company, and shall register

with (for real estate appraisal office, joint real estate appraisal office) or be approved by (for real estate appraisal company) the Minister of Construction and Transportation as stipulated by the Public Notice of Values and Appraisal of Lands, etc. Act, its Enforcement Decree, and its Enforcement Regulation.

Sector:	Distribution Services
Sub-sector:	Retailing Services
Industry Classification:	Part of CPC 63211 Supply and Retail Distribution of Pharmaceutical Goods to the General Public
Type of Reservation:	Local Presence Market Access
Source of Measure:	*Law No. 7148* Article 1, Article 35 and Article 41 of the *Pharmaceutical Affairs Act*, January 29, 2004
Description:	Cross-Border Trade in Services Only those who have a pharmacist license issued by the Minister of Health and Welfare are able to establish and operate a pharmacy in the territory of the Republic of Korea. In order to protect the public health, only those certified pharmacists who established and are operating (or are employed in) a pharmacy in the territory of the Republic of Korea shall be allowed to dispense and sell pharmaceutical products to the general public. The general public must purchase pharmaceutical products only in the established pharmacies.

Sector:	Business Services Communications Services, Recreational, Cultural and Sporting Services
Sub-sector:	Other Business Services Audiovisual Services, Entertainment Services
Industry Classification:	CPC 88442 Printing, Publishing Services CPC 9611 Motion Pictures and Video Tape Production and Distribution Services CPC 9619 Other Entertainment Services
Type of Reservation:	National Treatment Market Access
Source of Measure:	*Law No. 6721*, Articles 12, 14 of the *publication and printing promotion act,* Aug. 26, 2002 *Presidential Decree No. 17921*, Articles 7, 9 of its *Enforcement Decree,* Feb. 24, 2003 *Ordinance of the Ministry of Culture and Tourism No. 73*, Article 7 of its *Enforcement Regulations*, Feb. 27, 2003 *Law No. 6632*, Article 6 of the *Promotion of the Motion Pictures Industry Act*, Jan. 26, 2002 *Presidential Decree No. 17616*, Article 4 of its *Enforcement Decree*, May. 27, 2002 *Ordinance of the Ministry of Culture and Tourism No. 66*, Article 5 of its *Enforcement Regulations* *Law No. 7131*, Article 35 of the *Sound Records, Video Products, and Game Software Act*, Jan. 29, 2004 *Presidential Decree No. 17395*, Article 16 of its *Enforcement Decree*, Oct. 20, 2001 *Ordinance of the Ministry of Culture and Tourism No. 57*, Article 8 of its *Enforcement Regulations*, Nov. 16, 2001

Law No. 6632, Articles 6, 7 of the *Public Performance Act*, Jan. 26, 2002
Presidential Decree No. 17695, Articles 4, 6 of its *Enforcement Decree*, Jul. 30, 2002
Ordinance of the Ministry of Culture and Tourism No. 70, Article 4 of its *Enforcement Regulations*, Sep. 11, 2002

Description: Cross-Border Trade in Services

Any person who intends to import foreign publications falling under any of the following categories for the purpose of domestic distribution shall obtain a recommendation for import from the Minister of Culture and Tourism.

(a) Publications issued by North Korea or antinational groups
(b) Novels, comics, photo albums, pictorial series and magazines

The Minister of Culture and Tourism may not render a recommendation for import, or may order the suspension or restriction of distribution or the deletion of contents pursuant to the outcome of deliberation on the imported foreign publications by the Korea Publication Ethics Commission.

A person who desires to import foreign movies shall obtain a recommendation from the Korea Media Rating Board.

A person who desires to import sound records manufactured abroad on a commercial basis or to manufacture foreign sound records domestically shall obtain a recommendation from the Korea Media Rating Board.

A foreigner who seeks to hold or provide a public performance or a person who desires to invite a foreigner to hold a public performance in Korea shall obtain a recommendation from the Korea Media Rating Board.

The Board may not make a recommendation if the contents of this performance or the performers fall under any of the following subparagraphs

(a) Where they may be harmful to national interest or may offend the feelings of the people

(b) Where they may be detrimental to public morals

(c) Where they may cause corruption or harm to the order and practice of public performance in Korea

(d) Where they justify a criminal act or depict a criminal tool in excessive detail

(e) Where they use vulgar or obscene language or depict such actions

Sector:	Business Services
Sub-sector:	Job Placement Services, Labor Supply and Worker Dispatch Services
Industry Classification:	CPC8720 Placement and Supply Services of Personnel
Type of Reservation:	Local Presence
Source of Measure:	*Law No. 5884* The Article 19, 33 of the *Employment Security Act*, Feb. 8*, 1999* *Ministry of Labor Decree No. 174* The Article 18, 37 of the *Enforcement Decree of the Act,* August 21, 1999 *Law No. 5512* The Article 7 of the *Act Relating to Protection for Dispatched Worker*, July 1, 1998 *Presidential Decree No. 15828* The Article 3 of the *Enforcement Decree of the Act*, July 1, 1998
Description:	<u>Cross-Border Trade in Services</u> Fee-charging job placement services, labor supply businesses, and worker dispatch services shall establish an office that is not smaller than the following standards in size: - Fee-charging job placement services : 20 m^2 (In case of a legal entity: 33 m^2) - Worker Dispatch services : 66 m^2 - Labor Supply businesses : 33 m^2 In addition, fee-charging job placement services shall be registered with the head of local city, county, district offices; and labor supply businesses and worker dispatch services are required to obtain authorization from the Minister of Labor.

Sector:	Business Services
Sub-sector:	Investigation and Security Services
Industry Classification:	
Type of Reservation:	Local Presence, Market Access
Source of Measure:	*Law No. 6787,* Article 3 and 4 *of the Certified Private Security Act,* Dec 18, 2002 *Presidential Decree No. 18124,* Articles 3,4 of *its Enforcement Decree,* Nov 11, 2003 *Ordinance of the Ministry of Government Administration and Home Affairs, No.209,* Article 3 of *its Enforcement Regulations,* Nov 17, 2003
Description:	Cross-Border Trade in Services Legal entity that wants to get a license to pursue Guard and Other Protective Services or Private Security Services in Korea should be equipped with security personnel, capital and necessary facilities. When a legal entity wants to carry out private security business on a contract basis, it should get permission from the chief of the local police office that has jurisdiction over its main office.

Sector:	Business Services
Sub-sector:	Research Services
Industry Classification:	CPC 8510 Research and Experimental Development Services on Natural Science and Engineering
Type of Reservation:	National Treatment
Source of Measure:	*Law No. 5809,* Article 6, 7, 8 of the *Marine Scientific Research Act*, Feb. 5, 1999 Law No. 4986, Article 5 of the *Territorial Sea and Contiguous Zone Act,* Dec. 6, 1995
Description:	Cross-Border Trade in Services and Investment Any foreign national or juridical personal intending to conduct research in a juridical water of the Republic of Korea shall be required to submit such a request, six months in advance, to the Minister of Maritime Affairs and Fisheries via the Minister of Foreign Affairs and Trade. For activities in territorial waters, authorization of the Minister of Maritime Affairs and Fisheries is required, and for activities in Exclusive Economic Zone, consent by such Minister is required.

Sector:	Business Services
Sub-Sector:	Services relating to Agriculture and Livestock
Industry Classification:	CPC 0113 Rice, Not Husked CPC 0115 Barley KSIC 01212 Farming of Beef Cattle KSIC 51312 Wholesale of Meat
Type of Reservation:	National Treatment
Source of Measure:	*Law No. 7039* Article 4 of the *Foreign Investment Promotion Act,* Dec. 31, 2003 *Presidential Decree No. 18222* Article 5 of *its Enforcement Decree,* Dec. 31, 2003
Description:	<u>Investment</u> Only Korean citizens may invest in the rice or barley industry in the Republic of Korea Foreign nationals or foreign legal entities are permitted to hold less than 50 per cent of the shares or stocks of legal entities engaged in farming beef cattle. Foreign nationals or foreign legal entities are permitted to hold less than 50 per cent of the shares or stocks of legal entities engaged in the wholesale of meat

Sector:	Business Services
Sub-sector:	Vocational Competancy Development Training Services
Industry Classification:	CPC 92900 Other Education and Training Services
Type of Reservation:	Local Presence
Source of Measure:	*Law No. 6455,* Articles 2, 11, 16, 16-2, 17, 22, 28,29, 31 of the *Vocational Training Promotion Act*, Mar 28, 2001
Description:	Cross-Border Trade in Services If a training institution which conducts vocational competency development training wants to receive financial supports for training costs and loans for training from the employment insurance fund, it shall obtain approval for training course from the Minister of Labor after being qualified as a legitimate training institution and having training facilities, equipment, etc. Determined by the Minister of Labor pursuant to the Vocational Training Promotion Act and its subordinate rules and regulations.

Sector:	Communication Services
Sub-Sector :	Courier Services
Industry Classification:	CPC 7512
Type of Reservation:	Local Presence
Source of Measure:	Article 139 of the *Aviation Act (Law No. 7024*, Dec. 30, 2003) Article 3 of the *Trucking Transport Business Act (Law No. 7100*, Jan. 20, 2004)
Description:	Cross-border Trade in Services A person who intends to operate commercial documents delivery business shall file a report of its intent to the Minister of Construction and Transportation in accordance with the related laws. In case of juridical persons, an office must first be established and operation of business reported.

Sector:	Communications Services
Sub-Sector:	Audiovisual Services
Industry Classification:	CPC 9612 Motion Picture Projection Service
Type of Reservation:	National Treatment Performance Requirements
Source of Measure:	*Law No. 6632,* Article 28 of the *Promotion of the Motion Picture Industries Act,* Jan. 26, 2002 *Presidential Decree No. 17616*, Article 13 of *its Enforcement Decree,* May. 27, 2002
Description:	Investment Operators of Movie theaters shall screen Korean movies for not less than 146 days a year in all.

Sector:	Telecommunications
Sub-sector:	Basic Telecommunications Services
Industry Classification:	
Type of Reservation:	National Treatment, Local Presence, Market Access
Source of Measure:	*Telecommunications Business Act* Article 5.2,6, 59.2, Appendix Article 4 *Radio Waves Act* Article 20
Description:	Cross-Border Trade in Services and Investment A person falling under any of the following subparagraphs shall not obtain a license for facilities-based telecommunications services; (a) The State or a local government (b) A foreign government or a foreign legal entity (c) A legal entity in which a foreign government or a foreigner holds combined stocks in excess of 49% of the total issued stocks Limitation on stocks held by foreign government or foreigner (a) A foreign government or a foreigner shall not hold combined stocks of a facilities-based telecom carrier in excess of 49% of the total issued stocks. (b) A legal entity in which a foreign government or a foreigner(including a specially related person under Article 36.3 of the Securities Exchange Act) is the largest shareholder and holds over 15% of its total issued stocks shall be regarded as a foreigners. (c) Notwithstanding the preceding paragraph, a legal entity that holds less than 1% of the total issued stocks of a facilities-based telecom carrier shall not be regarded as a

foreigner.
(d) A foreign government or a foreigner shall not become the largest shareholder of Korea Telecom, However, this provision shall not apply to the case a foreign government or a foreigner holds less than 5% of the total issued stocks of Korea Telecom.

Under the Radio Waves Act, a person who does not hold the nationality of the Republic of Korea, a foreign government or its representative, and a foreign legal entity or a foreign organization shall not be permitted to establish a radio station.

Any person who intends to provide facilities-based telecom services from abroad without a local presence in Korea shall sign a commercial arrangement on cross-border supply of facilities-based telecom services with facilities-based telecom carrier or reseller in Korea that provides the same services.

Sector: Construction Services

Sub-Sector: Construction Services

Industry Classification: CPC 511~518 Construction Services

Type of Reservation: Local Presence, Performance Requirements

Source of Measure:

Articles 9, 10, 30 of the *Framework Act on the Construction Industry (Law No. 6938,* Jul. 25, 2003)
Articles 7, 8, 13, 33 of *its Enforcement Decree (Presidential Decree No. 18312,* Mar. 17, 2004)
Articles 2, 3, 27 of *its Enforcement Regulation (Ordinance of the MOCT No. 371*, Aug. 26, 2003)

Description: Cross-Border Trade in Services and Investment

A person that intends to operate a construction business in Korea shall establish an office in Korea (identifying its representative) and register with the Minister of Construction & Transportation for general construction business and with the mayor of "shi" or governor of "do" for specialized construction business in accordance with the requirements stipulated in the Presidential Decree. Foreign nationals or foreign juridical entities that intend to operate a construction business in Korea must ensure that its office in Korea is established, at the latest, prior to the signing of the first contract for its construction work.

When a general contractor receives an order of construction work exceeding two(2) billion KRW, it shall subcontract a portion of its work to specialized contractors according to the following guideline :

- Contract between 2 billion ~ 3 billion KRW : at least 20% of the value of the contract

- Contract over 3 billion KRW : at least 30% of the value of the contract

Sector: Construction Services

Sub-Sector: Renting, Maintenance & Repair, Sales and Disassembly of Construction Equipment

Industry Classification: CPC 518 Renting Services of Construction Equipment
CPC 8862 Maintenance & Repair
CPC 83107 Leasing or rental services concerning construction machinery and equipment without operator

Type of Reservation: Local Presence

Source of Measure: Article 21 of the *Construction Machinery Management Act (Law No. 6363,* Jan. 16, 2001)
Articles 13, 14, 15, 15-2 *of its Enforcement Decree (Presidential Decree No. 18312*, Mar. 17, 2004)
Articles 57, 58, 59, 60, 61, 62, 63, 65-2, 65-3 of *its Enforcement Regulation (Ordinance of the MOCT No. 373*, Sep. 26, 2003)

Description: Cross-Border Trade in Services

A person who intends to operate a construction machinery business (rental, maintenance & repair, sales, disassembly businesses) shall file a report to the mayor of shi or governor of do.

Categories of businesses to be reported shall be determined by the Presidential Decree and the person filing a report of a business shall establish an office in accordance with the requirements set in the Ordinance of the Ministry of Construction and Transportation.

A person who has reported a business pursuant to the regulations but fails to meet necessary requirements shall be forced to close the business if all requirements are not satisfactorily met within a month.

Matters pertaining to reporting procedures, issuance of report certificates, etc. are determined by the Ordinance of the Ministry of Construction and Transportation.

Sector:	Business Services
Sub-sector:	Consulting Services(Industrial Safety and Health Consulting)
Industry Classification:	CPC 867 Architectural, Engineering and Other Technical Services
Type of Reservation:	Local Presence
Source of Measure:	*Law No. 6847* The Article 52-4 of *the Industrial Safety & Health Act,* Dec, 30, 2002
Description:	Cross-Border Trade in Services Anyone, who wishes to provide consulting services in the area of industrial safety or hygiene under the Industrial Safety and Health Act such as evaluation/safety consultation in the work process and evaluation/improvement consultation for the working environment, must have an office(or local address) in the territory of Republic of Korea and a qualification prescribed by the law and should register with the Director of Regional Labor Office in charge of the area that the Office is located

Sector:	Consulting Services
Sub-Sector:	Planning and Forecasting in Energy Consumption
Industry Classification:	CPC 87909 Other Business Services CPC 88700 Services Incidental to Energy Distribution CPC 91132 Administrative Fuel and Energy Related Services
Type of Reservation:	Local Presence Market Access
Source of Measure:	The Article 8, 9, 10, 22 of the *Energy Conservation Act,* Dec 28, 1979
Description:	Cross-Border Trade in Services Prior to the establishment of energy-using company or facility, the representative of the company (or facility) is required to submit *the Energy Consumption Plan* to the Minister for MOCIE. And *The Energy Consumption Plan* may be drawn up by an agency. The Agency should register with MOCIE, under certain conditions. *The Energy Saving Company* should register with MOCIE, under certain conditions.
Phase out	

Sector:	Distribution Services
Sub-sector:	
Industry Classification:	CPC 62111 Sales of Agricultural Raw Materials and Live Animals On a Fee or Contract Basis CPC 6221 Wholesale Trade Services of Agricultural Raw Materials and Live Animals
Type of Reservation:	National Treatment, Market Access, Local Presence
Source of Measure:	*Law No. 6821* Article 27 of *the Livestock Industry Act*, Dec. 26, 2002 *Law No. 6699* Article 17, 43 and 47 of *the Act on Distribution and Price Stabilization of Agricultural and Fishery Products,* May 13, 2002
Description:	Cross-border Trade in Services and Investment The Livestock Cooperative is entitled to open and manage animal markets according to Agricultural Cooperative Law. Central wholesale markets shall be opened by specific cities or metropolises, and local wholesale markets shall be opened by special cities, metropolises and cities. Joint markets shall be opened by the producers' organizations and public corporations such as cooperatives of agriculture, forestry and fishery designated by the Presidential Decree. When a private person intends to open a private wholesale market in a specific city, metropolises or city, he/she should get permission from a mayor or governor concerned

Sector:	Educational Services
Sub-sector:	
Industry Classification:	CPC 923 Higher Education Services
Type of Reservation:	National Treatment, Market Access, Local Presence Senior Management and Boards of Directors
Source of Measure:	Article 23, 32 of *Higher Education Act*, Article 15, 28 *of Higher Education Enforcement Decre*e Article 3, 21 of *Private School Act* Article 7, 18 of *Seoul Metropolitan Area Readjustment Planning Act* Article 3, 4 of *Regulation on joint-operation of educational programs between local and foreign universities*
Description:	Cross Border Trade in Services and Investment 50 Percent or more of the members of the board of directors of private schools must be composed of Korean citizens. Provided that foreign national or foreign legal entities contributed to one half or more of the basic property of a university, the board may be composed of foreign nationals less than two-thirds of the total members. Credits taken at other higher education institutions are not recognized for more than half of the total credits required for graduation from the institution where a person gets education. Only those non-profit school juridical persons approved by Minister of Education and HRD may establish higher education institutions (4-year Universities and 2-3 year junior colleges excluding types listed on Annex 9B) under the Minister's authorisation.

Establishment of higher education institutions other than Technology Universities and Intra-company Universities is not allowed in the Seoul Metropolitan Area.

Also, Minister of Education and HRD may restrict the total number of students for each higher education institution.

Junior Colleges, Universities and Industrial Universities may operate joint educational programs with foreign universities which obtained accreditation by foreign public accreditation bodies or which acquired recognition or recommendation by their governments, in the field of state-of-the-art technologies, basic sciences, international studies and specialization of the respective Korean universities.

Sector: Educational Services

Sub-sector:

Industry Classification: Adult Education Services (CPC 924)

Type of Reservation: National Treatment, Market Access

Source of Measure: Article 12, 15 of *the Establishment and Operation of Private Educational Institutions and Extracurricular Lessons Act*, Article 7-2 of the *Establishment and Operation of Private Educational Institutions and Extracurricular Lessons Enforcement Decree*
Article 7, 18 of *Seoul Metropolitan Area Readjustment Planning Act*

Description: Cross Border Trade in Services and Investment

Types of adult education institutions foreigners can establish in Korea, are limited to private education institutions called "Hagwon for adults" defined in the 'Establishment and Operation of Private education Institutions and Extracurricular Lessons Act', Life-long education facilities annexed to work places, NGOs, schools, mass-media, and those related to the development of knowledge and human resources based on the ‘Life-long Education Act’.

Superintendent of provincial education offices may regulate tuition rates for "Hag-won" on a non-discriminatory basis.

If adult education institutions are registered as training facilities, the establishment and/or enlargement of them may be restricted in Seoul Metropolitan Area pursuant to Seoul Metropolitan Area Readjustment Planning Act.

Sector:	Environmental Services
Sub-sector:	Air Quality Monitoring/Control Water Quality Monitoring Waste Water (Sewage) Treatment Waste Collection/Disposal Services Noise Vibration Monitoring and Abatement Environmental Impact Assessment Toxic Chemical Dealing Services
Industry Classification:	CPC 86761 Composition and Purity Testing and Analysis Services CPC 94010~94060 & 94090 (Sewage and Refuse Disposal, Sanitation and Other Environmental Protection Services)
Type of Reservation:	Local Presence
Source of Measure:	*Law No. 7168*, Article 43 of the *Water Quality Conservation Act*, Feb. 9, 2004 *Law No. 6913*, Article 15, 17, 18 of the *Development of and Support for environmental Technology Act*, May 29, 2003 *Law No. 6913*, Article 37, 40 of the *Clean Air Conservation Act*, May 29, 2003 *Law No. 7020*, Article 8 of the *Act on Assessment of Impacts of Works on Environment, Traffic, Disasters, etc.*, Dec. 30, 2003 *Law No. 7129*, Article 35, 38, 39 of the *Act on the Disposal of Sewage, Excreta and Livestock Wastewater*, Jan. 29, 2004 *Law No. 6153*, Article 15, 20, 26 of the *Toxic Chemicals Control Act*, Jan. 12, 2000 *Law No. 7022*, Article 26 of the *Wastes Control Act*, Dec. 30, 2003 *Law No. 6515*, Article 37 of the *Prevention of Marine Pollution Act*, Sept. 12, 2001 Law No. 6909, Article 40 of the *Act on Special Measures*

for the Deregulation of Corporative Activities, May 29, 2003

Description:

Cross-Border Trade in Services

A person that intends to provide environmental services, set out in this sub-sector and industry classification, in the Republic of Korea, is required to obtain a certificate of qualification, establish an office, and register with the Minister of Environment or the head of the metropolitan city or province pursuant to relevant Korean laws.

Sector:	Environmental Services
Sub-sector:	Air Quality Control Waste Water (Sewage) Treatment Waste Collection/Disposal Services Toxic Chemical Dealing Services
Industry Classification:	CPC 86761* Composition and Purity Testing and Analysis Services CPC 92900 Other Education Services CPC 94010* Sewage services CPC 94020* Refuse disposal services CPC 94030 Sanitation and similar services CPC 94060* Nature and landscape protection services CPC 94090* Other environmental protection services n.e.c.
Type of Reservation:	Market Access
Source of Measure:	*Law No. 6913*, Article 37 of the *Clean Air Conservation Act*, May 29, 2003 *Law No. 7022*, Article 26 of the *Waste Control Act*, Dec. 30, 2003 *Presidential Decree No. 18471*, Article 6, 25, 28 of the *Enforcement Decree of the Waste Control Act*, Jun. 30, 2003 *Presidential Decree No. 18464*, Article 13 of the *Enforcement Decree of the Sewerage Act*, Jun. 29, 2004 *Law No. 6153*, Article 36 of the *Toxic Chemicals Control Act*, Jan. 12, 2000 *Ordinance of the Ministry of Environment No. 132*, Article 46 of the *Enforcement Regulations of the Toxic Chemicals Control Act*, Oct. 1, 2002 *Presidential Decree No. 17433*, Article 4 of the *Enforcement Decree of the Groundwater Act*, Dec. 19, 2001 *Law No. 7168*, Article 48 of the *Water Quality Conservation Act*, Feb. 9, 2004
Description:	Cross-Border Trade in Services

In the Republic of Korea, the qualification for an agency of the services, set out in this sub-sector and industry classification, may be limited pursuant to relevant Korean laws.

Refuse collection and transport services may be limited with their service areas pursuant to relevant Korean laws.

CPC 86761* excludes inspection, testing and analysis services of air, water, noise level and vibration level

CPC 94010* excludes collection and treatment services of industrial waste water

CPC 94020* excludes collection, transport and disposal services of industrial refuse

CPC 94060* & 94090* exclulde environmental impact assessment services

Sector: Manufacture of Chemical Products

Sub-Sector: Manufacture of Biological Products

Industry Classification: KSIC 24212 Manufacture of Biological Products

Type of Reservation: Performance Requirements

Source of Measure: *Law No. 7148,* Article 34 of the *Pharmaceutical Affairs Act, Jan. 29, 2004*
Ministry of Health and Welfare Decree No. 227, Article 21 of the *Enforcement Decree of the Act,* Nov. 5, 2002

Description: Investment

Manufactures of blood products must receive supplies of raw blood materials through a contract with the Korean National Red Cross.

Sector: Business Services

Sub-sector: Professional Services(Taxation Services)

Industry Classification: CPC 863 Taxation Services

Type of Reservation: Market Access, Local presence

Source of Measure: Articles 6, 7, 8, 12-5, 20 *the Certified Tax Attorney Law*

Description: Cross-Border Trade in Services

To perform tax accounting services in Korea, a candidate must obtain a CTA license and is required to register with relevant authorities.

Only sole proprietorship, tax reconciliation task force and tax agency corporation (limited liability company) by CTAs licensed under the Certified Tax Attorney Law are permitted.

Only those CTAs in tax reconciliation task force and tax agency corporation (limited liability company) are allowed to supply tax reconciliation services.

Only those people who obtained CTA licenses and are registered with relevant authorities are allowed to use the title "certified tax accountant."

In order to practice as a CTA in Korea, a candidate must undergo appropriate training for a certain period, as set out in the Presidential Decree.

Every CTA shall open an office to render his taxation service, as set out in the Certified Tax Attorney Law.

The Republic of Korea reserves the right to adopt or

maintain any measure related to not only the provision of a service from the territory of a Party into the territory of the other Party but also the provision of a service in the territory of a Party to a person of the other Party for tax reconciliation services and tax representative services.

Sector:	Business Services
Sub-sector:	Professional Services(Other Taxation(Customs) Services)
Industry Classification:	CPC 86309 other tax related services
Type of Reservation:	Market Access, Local Presence
Source of Measure:	*Law NO. 6778*, Articles 3,7,9 of *the Customs Broker Act*, Dec.18,2002
Description:	Cross-Border Trade in Services

Any person except any customs broker who has passed the examination under the Customs Broker Act, any corporation incorporated by customs brokers or any corporation licensed to do the customs-clearance brokerage under Customs Broker Act shall be prohibited from providing the customs-clearance services.

Customs Broker must undergo appropriate training for a certain period, as set out in the Presidential Decree to conduct business in Korea.

Customs Brokers are required to register with the Commissioner of Korea Customs Service.

Every Customs Brokers shall be permitted to open an office to render his customs-clearance services, as set out in the Customs Broker Act .

Sector:	Business Services
Sub-sector:	Professional Services(Accounting)
Industry Classification:	CPC 862 Accounting, Auditing and Book-keeping Services
Type of Reservation:	Local Presence, Market Access
Source of Measure:	*Law No. 6994,* Article 7, 12, 23, 26 of the *Certified Public Accountant Act,* Dec, 11, 2003 *Law No. 6991,* Article 3 of *Act on External Audit of Stock Companies,* Dec, 11, 2003
Description:	Cross-Border Trade in Services A person who has passed the examination under the Certified Public Accountant Act can provide auditing services after one year of field experience in Korea. To be a statutory auditor for the external audit services required by Act on External Audit of Stock Companies, a CPA must have field experience of two years in Korea. In order to supply auditing services required by Act on External Audit of Stock Companies, a qualified CPA must establish an auditing task force or accounting corporation(a limited liability corporation) in Korea

Sector:	Business Services
Sub-sector:	Professional Services(Labor Affairs Consulting Services)
Industry Classification:	Certified labor affairs consultant
Type of Reservation:	Local Presence
Source of Measure:	*Law No. 7046* Article 5 of the *Certified Labor Affairs Consultant Act,* Dec. 31, 2003
Description:	Cross-Border Trade in Services Any person who holds a certified labor affairs consultant license and intends to work in the Republic of Korea shall undertake appropriate training for such a period of time as set out in the Presidential Decree. In addition, they are required to register with the Minister of Labor.

Sector:	Business Services
Sub-Sector:	Professional Services(Patent Attorney)
Industry Classification:	CPC 82130 Legal Documentation and Certification Services
Type of Reservation:	Local Presence, Market Access
Source of Measure:	*Law No. 6753*, Articles 5,6 of *the Patent Attorney Act,* Dec. 5, 2002 Article 12 of *its Enforcement Decree (Presidential Decree No. 18387,* May. 10, 2004)
Description:	Cross-Border Trade in Services & investment To conduct business in Korea, a patent attorney must undergo appropriate training for a certain period as set out in the Presidential Decree, register with the Commissioner of the Korean Intellectual Property Office, and establish an office in Korea.

Sector:	Business Services
Sub-sector:	Professional Services(Proprietor of Engineering Activities)
Industry Classification:	CPC 8672 Engineering Services CPC 8673 Integrated Engineering Services CPC 8674 Urban Planning and Landscape Architectural Services CPC 8675 Engineering Related Scientific and Technical Consulting Services
Type of Reservation:	Local Presence
Source of Measure:	*Law No. 6535,* Article 4 of the *Engineering Technology Promotion Act,* Dec. 19. 2001 *Law No. 6567,* Article 6 of the *Professional Engineers Act,* Dec. 31, 2001 *Presidential Decree No. 17771*, Article 6, 6-2 of its Enforcement Decree, Nov. 6, 2002 *Ordinance of the Ministry of Science and Technology* No. 41, Article 2 *of its Enforcement Regulation* Nov. 9, 2002
Description:	Cross-Border Trade in Services A person that holds a professional engineering license issued in Korea and intends to work in the field of engineering in Korea is required to establish an office in the territory of Korea and register with the Minister of Science and Technology.

Sector: Recreational, Cultural and Sporting Services

Sub-Sector: News Agency Services

Industry Classification: CPC 962 News Agency Services

Type of Reservation: National Treatment
Market Access
Performance Requirements
Senior Management and Boards of Directors

Source of Measure: *Law No. 6905,* Articles 2, 7, 9, 16, 28 of the *News Agency Promotion Act,* May. 29, 2003
Presidential Decree No. 18153, Article 4 of *its Enforcement Decree,* Dec. 3, 2003
Law No. 6905, Article 20 of the *Radio Wave Act,* May. 29, 2003

Description: Cross-Border services and Investment

Filing a report with the Minister of Culture and Tourism is required when a news agency is financed, in any part, by foreign funds.

Submitting a document proving the fact of filing with the Minister of Commerce, Industry and Energy is required when a news agency's property is financed by a foreigner, a foreign entity or a foreign organization

Any natural or juridical person who falls under either of the following subparagraphs shall not engage in the news agency business or be employed as a news agency editor:

a. a person who is not of Korean nationality
b. a person who has no domicile in the Republic of Korea

A foreign government, a foreign juristic person, a foreign organization, or a legal entity or a legal organization whose

representative is a person who falls under either of the subparagraphs (a) or (b) above shall not engage in the news agency business.
Any foreigner, foreign juridical entity or foreign organization whose ratio of stocks or shares is in excess of the 25 percent shall not engage in the news agency business.

Any person who intends to establish a branch or district office of a foreign news agency in Korea, shall obtain permission from the Minister of Culture and Tourism.

Any person who falls under either of the following subparagraphs shall not serve on the board of Yonhap News or the News Agency Promotion Committee:

a. a person who is not of Korean nationality

b. a person who has no domicile in the Republic of Korea

A foreign news agency shall supply news communications through a contract with a domestic agency.
Any natural or juridical person or entity that falls under any of the following subparagraphs shall not establish a wireless station

(a) a person who is not of Korean nationality

(b) a foreign government or its representative

(c) a foreign legal entity or foreign legal organization

Sector:	Business Services
Sub-Sector:	Technical testing and analysis services
Industry Classification:	CPC 86761 Composition and Purity Testing and Analysis Services other than Air, Water, Noise Level and Vibration Level CPC 86762 Testing and Analysis Services of Physical Properties CPC 86763 Testing and Analysis Services of Integrated Mechanical and Electrical Systems CPC 86769 Other Technical Testing and Analysis Services
Type of Reservation:	Local Presence Market Access
Source of Measure:	*Law No. 6019*, *Safety Act on Electrical Products*, Sep. 7, 1999 *Law No. 6315*, *Safety Act on Industrial Products,* Dec. 29, 2000 *Law No. 6676*, *the High Pressure Gas Safety Control Law,* March 25, 2002
Description:	<u>Cross Border Trade in Services and investment</u> The corporations and related services for technical testing and analysis services are qualified by the government so that the safety and health of public should be guaranteed.

Sector: Manufacturing and Distribution Services

Sub-Sector:

Industry Classification:

Type of Reservation: Local Presence, Performance Requirements, Market Access

Source of Measure: *Law No. 7067,* Articles 13,14,15,16,17 of the *Tobacco Business Act*, Jan. 20, 2004
Presidential Decree No. 18445, Article 5 of its *Enforcement Decree*, Jun. 29, 2004
Ordinance of the Ministry of Finance and Economy No. 385, Articles 5,6,7,8,9,11 of *its Enforcement Regulations*, Jun. 29, 2004
Article 4, 5, 9, 45, 56 of its Presidential Decree
Notice of national tax service 2003-17, 26
Law No. 7031, Article 6, 8, 9, 10, 40, 43 *of the Liquors Act,* Dec. 31, 2003
Presidential Decree No. 18178, Article 4, 5, 9, 45, 56 of its *Presidential Decree,* Dec. 30, 2004
Notice of national tax service 2003-17, 26

Description: Cross-Border Trade in Services and Investment

< tobacco >

A person who intends to work as an tobacco wholesaler must establish an office in the territory of Korea and register with a mayor or the magistrate of a county or the headman of a ward as set out in the Presidential Decree and the Ordinance of the Ministry of Finance and Economy of the Tobacco Business Act

A person who intends to work as an tobacco retailer must establish an office in the territory of Korea and get a license from a mayor or the magistrate of a county or the headman of a ward as

set out in the Ordinance of the Ministry of Finance and Economy of the Tobacco Business Act.

A person who intends to work as an foreign tobacco importer must establish an office in the territory of Korea and register with a mayor or provincial governor as set out in the Presidential Decree and the Ordinance of the Ministry of Finance and Economy of the Tobacco Business Act

< liquors >

Any person who intends to manufacture a liquor shall be required to establish a office and shall get a license from the head of district tax office.

In order to balance supply and demand of grains and to manage quality of liquors., the types and amount of raw materials for liquors may be designated.

Any person who intends to work as a wholesaler of liquors shall be required to establish an office and get a license from the head of district tax office.

The number of wholesalers of liquor within shi or gun is determined by national tax service commissioner considering population and the number of liquor stores.

Sales of liquors on-line is prohibited except for on-line sale of traditional liquors by those manufacturers.

Sector: Transport Service

Sub-Sector: Air Transport Services

Industry Classification: CPC 731, 732 Air Transport Services

Includes glider towing, parachute jumping, aerial construction, heli-logging, aerial sightseeing, etc.

CPC 734 Rental Services of aircraft with operator

Type of Reservation: National Treatment,
Senior Management and Board of Directors

Source of Measure: Articles 3, 6, 112, 113, 114,132 of the *Aviation Act* (*Law No. 7024*, Dec. 30, 2003)
Articles 278, 278-2, 298, and 299 of *its Enforcement Regulation* (*Ordinance of the MOCT No. 403*, Jul.3, 2004)

Description: Investment

Any person who falls under the categories stipulated in subparagraphs of Article 6 of the Aviation Act(and listed below) may not provide domestic services, nor international services(scheduled/non-scheduled).

1. A person who is not a citizen of the Republic of Korea;
2. A foreign government or foreign public organization;
3. A foreign corporation or organization;
4. A corporation in which any of those referred to in sub-paragraph 1 through 3 above either owns 50% or more of the stocks or shares, or yields de-facto control; and
5. A corporation whose representative is a foreigner, or half or more of whose officers(executives) are foreigners.

In addition, persons who own an aircraft or is authorized to

operate a chartered aircraft must register the aircraft with the Minister of Construction and Transportation. Registration of aircraft is not permitted to persons falling under 1 through 5 above.

Sector: Transport Service

Sub-Sector: Air Transport Service

Industry Classification: Aircraft Use Business
CPC 734* Rental Services of aircraft with operator

* Includes aerial fire-fighting, forestry fire management, aerial advertising, flight training, aerial map production, aerial investigation, aerial spraying, aerial photographing and other aerial agricultural activities, aerial inspections and observations, etc.

Type of Reservation: National Treatment
Senior Management and Board of Directors

Source of Measure: Articles 3, 6, 134 of *the Aviation Act (Law No. 7024*, Dec. 30, 2003)
Articles 298, 299-2 of its *Enforcement Regulation (Ordinance of the MOCT No. 403*, Jul. 3, 2004)

Description: Investment

A person who intends to operate an aircraft-use business (businesses that use aircraft at other's request to conduct businesses other than transport of passengers or cargo for fee) must register the self-owned or chartered aircraft with the Minister of Construction and Transportation. In this case, registration of aircraft is not permitted to persons falling under any one of the following categories.

1. A person who is not a citizen of the Republic of Korea;
2. A foreign government or foreign public organization;
3. A foreign corporation or organization;
4. A corporation in which any of those referred to in sub-paragraph 1 through 3 above either owns 50% or more of the stocks or shares, or yields de-facto control; and
5. A corporation whose representative is a foreigner, or half or more of whose officers are foreigners.

Sector:	Transport Services
Sub-Sector:	Road Transport Services
Industry Classification:	CPC 83101 Leasing or rental services concerning private cars without operators CPC 83105* Leasing or rental services concerning other land transport equipment without operators
Type of Reservation:	Local Presence
Source of Measure:	Articles 29, 30 *of the Passenger Transport Service Act* (*Law No. 6942*, Jul. 25, 2003) Articles 52, 53 of *its Enforcement Regulation* (*Ordinance of the MOCT No. 394*, Feb. 28, 2004)
Description:	Cross-Border Trade in Services A person who intends to operate a automobile rental business shall establish an office in Korea and shall register with the Minister of Construction and Transportation by submitting an application for registration including required documents as set out in the Passenger Transport Service Act and its Enforcement Regulation.

Sector: Transport Services

Sub-Sector: Road Transport Services
(Maintenance & repair, sales and disassembly)

Industry Classification: CPC 6112 + 8867/8 Maintenance and Repairs of Road Transportation Equipment
CPC 6111* Sales of motor vehicles (for used cars)

Type of Reservation: Local Presence, Market Access

Source of Measure:

Article 53 of the *Automobile Management Act* (*Law No. 7100*, Jan. 20, 2004)
Article 111 of *its Enforcement Regulation* (*Ordinance of the MOCT No. 379*, Nov. 22, 2003)

Description: Cross-Border Trade in services

A person who intends to operate an automobile management business (automobile transaction/maintenance/disassembly) shall establish an office (place of operation) and shall register with the head of shi/gun/gu in accordance with standards and procedures set out by the municipal ordinance of the "shi" or "do" pursuant to authority delegated by the Automobile Management Act.

Heads of the shi/gun/gu may restrict registration or attach conditions in the following situations:

- when it is deemed necessary to take into consideration local conditions such as traffic and environmental pollution; or
- when it is deemed necessary for the good of the public.

Sector:	Transport Services
Sub-Sector:	Air Transport Services
Industry Classification:	CPC 8868* Aircraft Maintenance and Repair Services
Type of Reservation:	Local Presence
Source of Measure:	Articles 137, 138 of *the Aviation Act* (*Law No. 7024*, Dec. 30, 2003) Articles 16, 304, 305 of *its Enforcement Regulation* (*Ordinance of the MOCT No. 403*, Jul. 3, 2004)
Description:	Cross-Border Trade in Services A person who intends to operate an aircraft maintenance and repair service business shall, after setting up its place of business in accordance with the registration requirements, register with the Minister of Construction and Transportation as stipulated by the Enforcement Regulation of the Aviation Act. Subsequently, it must obtain certificate as a maintenance and repairs organization from the Minister of Construction and Transportation.

Sector: Transport Services

Sub-Sector: Road Transport Service (Scheduled inspection of automobiles)

Industry Classification:

Type of Reservation: Local Presence, Market Access

Source of Measure: Articles 44, 45 of the *Automobile Management Act* (*Law No. 7100*, Jan. 20, 2004)
Articles 86, 87 of *its Enforcement Regulation* (*Ordinance of the MOCT No. 379*, Nov. 22, 2003)

Description: Cross-Border Trade in Services

A person who intends to be designated as a "designated maintenance operator" for the purposes of providing scheduled inspection services of automobiles in Korea shall establish an office with a place of operation in Korea meeting the dimension requirements as stipulated in the Ordinance of the Ministry of Construction and Transportation and shall apply to the mayor of "shi" or governor of "do" for designation.

Sector: Transportation Services

Sub-Sector: Road Transportation Services
(Automobile License Plate Issuing Agency)

Industry Classification:

Type of Reservation: Local Presence, Market Access

Source of Measure: Article 20 of the *Automobile Management Act* (*Law No. 7100*, Jan. 20, 2004)
Articles 7, 8 of *its Enforcement Regulation* (*Ordinance of the MOCT No. 379,* Nov. 22, 2003)

Description: Cross-Border Trade in Services

A person who wishes to be designated as a "license plate issuing agency" for the purpose of providing license plate manufacturing, delivery, and seal services in Korea shall establish an office (place of operation) in Korea and submit an application for designation to the mayor of "shi" or governor of "do" as required by the Automobile Management Act and its Enforcement Regulation.

Sector: Transport Services

Sub-Sector: Air Transport Services (Sale of Air Transport)

Industry Classification:

Type of Reservation: Local Presence

Source of Measure: Article 139 of the *Aviation Act* (*Law No. 7024*, Dec. 30, 2003)
Article 309 of *its Enforcement Regulation* (*Ordinance of the MOCT No. 403*, Jul. 3, 2004)

Description: Cross-Border Trade in Services

A person who intends to conduct a business of acting as an agent (excludes acting as an agent for passport or visa issuance procedures) in concluding international air service contracts for transport of passengers or cargo for fee using an aircraft on behalf of a person who operates an air transport service business must – prior to conducting the business-- submit (file) the necessary documents with the Minister of Construction and Transportation as stipulated in the Enforcement Regulation of the Aviation Act. An office must be established prior to the submission of documents.

Sector:	Transport Services
Sub-sector:	Water Transportation
Industry Classification:	CPC 7211 Passenger Transportation CPC 7212 Freight Transportation CPC 7213 Rental Services of Sea-Going Vessels with Operator CPC 7214 Towing and Pushing Services CPC 721 Transportation Service by Sea-Going Vessels
Type of Reservation:	National Treatment Local Presence Market Access Senior Management and Board of Directors
Source of Measure:	*Law No. 5972*, Article 2 and 6 of the *Ship Act*, April 15, 1999 *Law No.5973*, Article 104 of the *Seaman Act*, April 15, 1999 *Law No.6774*, Article 5 and 26 of the *Maritime Transport Act,* Dec 11, 2002 *Law No. 6841,* Article 29 of the *Harbor Act*, Dec 30, 2002
Description:	<u>Cross-Border Trade in Services and Investment</u> Only vessels falling under any of following subparagraphs may be registered in Korea. 1.vessels owned by a Korean national 2.vessels owned by a legal entity established in accordance with relevant Korean regulations 3.vessels owned by a legal entity that is represented by a Korean national and has established its principal office in Korea(excluding a vessels of paragraph 2) Cabotage is reserved for Korean vessels. However,

cabotage includes inter-Korean transportation

The Minister of Maritime Affairs and Fisheries shall, when he intends to grant a license for international maritime passenger transport services, examine whether or not the services shall conform to the criteria of transport demands prescribed by the Minister of Maritime Affairs and Fisheries.

Only Korean seafarers may board a Korean vessel.
Those who intend to engage in tugboating business must own his/her own tugboat.

Sector: Transport Services

Sub-Sector: Water Transportation

Industry Classification: CPC 74520 Pilotage and berthing services
CPC 74530 Navigation aid services
CPC 74540 Vessel salvage and refloating services
CPC 745 Supporting Services for Transportation

Type of Reservation: National Treatment, Local Presence, Market Access

Source of Measure: *Law No.6774*, Article 34 of the *Maritime Transport Act*, Dec 11, 2002
Law No. 6610 Article 6 and 20 of the *Pilotage Act*, Jan. 14, 2002
Law No. 5971, Article 7,8,15, 16 of the *Ship Safety Act*, April. 15, 1999
Law No. 6966, Article 31 of the *Ship Investment Company Act*, Aug 6, 2003

Description: Cross-Border Trade in Services

Only a Korean national is eligible to be a maritime pilot.

In the case a vessel, which is not registered in Korea and weighs five hundred tons or more, is in operation within the pilotage area designated by the Ordinance of the Ministry of Maritime Affairs and Fisheries, the captain of the vessel must bring a maritime pilot on board and allow him/her to pilot the ship.

Only Korean nationals or Korean corporations may be involved in the rescue of wrecked ships or in the ship scraping.

Only Korean nationals or legal entities are allowed to conduct vessel inspections as delegated by the Korean government.

Sector: Social Services

Sub-Sector:

Industry Classification: CPC 932 Veterinary Services

Type of Reservation: Local Presence, Market Access

Source of Measure: *Law No. 6611* Article 2, 4, 10 and 17 of *Veterinary Act*, Jan. 14, 2002

Description: Cross-Border Trade in Services

Anyone who wants to be a veterinarian should acquire a license issued by the Minister of Agriculture and Forestry according to the Decree of the Ministry of Agriculture and Forestry after passing the national examination for the license of veterinary services.
A veterinarian is not allowed to practice without establishing an animal hospital and, according to the Decree of the Ministry of Agriculture and Forestry, should report to a mayor/provincial governor if he/she is equipped with appropriate facilities set out by the Presidential Decree.

Sector: All sectors

Sub-Sector:

Industry Classification:

Type of Reservation: National Treatment, Local Presence, Market Access, Performance Requirements, Senior Management and Boards of Directors

Source of Measure:

Description Cross-Border Trade in Services and Investment

All existing non-conforming measures at the local government level

Section 3: Schedule of Singapore

Sector:	All
Type of Reservation:	National Treatment
Source of Measure:	*Insurance Act,* Cap. 142 (Rev Ed 2002) Section 64, MAS Notice 109, *Banking Act*, Cap.19 (Rev Ed 2003) Section 55, MAS Notice 757, *Finance Companies Act*, Cap. 108 (Rev Ed 2000) Section 30, MAS Notice 816, *Monetary Authority of Singapore Act*, Cap. 186 (Rev Ed 1999) Section 28, MAS Notice 1105 *Securities Industry Act*, Act 15 of 1986, MAS Notice 1201 / *Securities and Futures Act*, Cap. 289 Section 101, SFA 04-N04
Description of Reservation:	<u>Investment</u> 1. Financial institutions extending Singapore dollar (S$) credit facilities exceeding S$5 million per entity to non-resident financial entities or arranging S$ equity or bond issues for non-residents, must ensure that where the S$ proceeds are to be used outside Singapore, they are swapped or converted into foreign currency upon draw-down or before remittance abroad. 2. Financial institutions should not extend S$ credit facilities to non-resident financial entities if there is reason to believe that the S$ proceeds may be used for S$ currency speculation. The term "non-resident" is as defined in MAS Notice 757 issued under the Banking Act.

Sector	-
Sub-Sector	-
Industrial Classification	-
Type of Reservation	National Treatment
Source of Measure	This is an administrative policy of the Government of Singapore and is inscribed in the Memorandum and Articles of Association of PSA Corporation.
Description of Reservation	<u>Investment</u> The aggregate of foreign shareholdings in PSA Corporation is subject to a 49% limit The "aggregate of foreign shareholdings" is defined as the total number of shares owned by: (a) Any individual who is not a Singapore citizen; and (b) Any corporation which is not more than 50% owned by Singapore citizens or by the Singapore Government; and (c) Any other enterprise which is not owned or controlled by the Singapore Government

Sector	-
Sub-Sector	-
Industrial Classification	-
Type of Reservation	National Treatment
Source of Measure	This is an administrative policy of the Government of Singapore and is inscribed in the Memorandum and Articles of Association of the relevant enterprises below.
Description of Reservation	<u>Investment</u> All investors, apart from the Singapore government, will be subject to the following equity ownership limits in the enterprises listed below: (a) Singapore Technologies Engineering - 15% (b) PSA Corporation – 5%, (c) Singapore Airlines – 5% (d) Singapore Power, Power Grid, Power Supply, Power Gas – 10% For the purposes of this reservation, ownership of equity by an investor in these enterprises includes both direct and indirect ownership of equity.

Sector	All
Sub-Sector	-
Industrial Classification	-
Type of Reservation	National Treatment
Source of Measure	*Business Registration Act*, Cap. 32, 2001 Revised Edition Business Registration Regulations, Regulation 9 *Companies Act*, Cap. 50 , Sections 145(1) and 368 (1)(e)
Description of Reservation	<u>Cross-border services and Investment</u> Only a person who is a Singapore citizen, Singapore permanent resident or Singapore Employment Pass holder (including those holding an Approval-In-Principle letter from the Ministry of Manpower) will be allowed to register a business without appointing a local manager. A local manager must be a Singapore citizen, Singapore permanent resident or Singapore Employment Pass holder. All locally incorporated companies must comply with the following requirements: (a) at least 1 director of the company must be resident in Singapore (b) all branches of foreign companies registered in Singapore must have at least 2 agents resident in Singapore. To be resident in Singapore, a person should be either a Singapore citizen or Singapore permanent resident or Singapore Employment Pass holder.

Sector	All
Sub-Sector	-
Industry Classification	-
Type of Reservation	National Treatment
Source of Measure	*State Lands Act*, Cap. 314, Sections 3 and 19(1)
Description of Reservation	Investment Singapore may divest State Land in a manner inconsistent with National Treatment.

Sector	Business Services
Sub-Sector	Architectural Services
	Architectural services includes selling or supplying for gain or reward any architectural plan, drawing, tracing or the like for use in the construction, enlargement or alteration of any building or part thereof. It includes the certification and inspection of buildings for compliance with fire safety regulations.
Industry Classification	-
Type of Reservation	National Treatment Local Presence
Source of Measure	*Architects Act,* Cap.12, 2000 Revised Edition Sections 15-17, 20-26
Description of Reservation	<u>Cross-Border Services and Investment</u>

Only persons who are registered with the Board of Architects (BOA) and resident in Singapore are allowed to provide architectural services.

All corporations and partnerships providing architectural services (including those which are providing architectural services as part of a multi-disciplinary corporation or practice) must obtain a licence from BOA. To qualify for the licence, the corporation or partnership shall:

(i) be under the control and management of a director or partner who is a Singapore-registered architect resident in Singapore; where a multi-disciplinary corporation or partnership is concerned, the business of the corporation or partnership relating to architectural services must be under the control and management of a director or partner who is a Singapore-registered architect resident in Singapore; and

(ii) where limited corporations are concerned, the Chairman and at least two-thirds of the directors of a corporation shall be Singapore-registered architects or allied professionals; where unlimited corporations are concerned, the directors or members shall be registered professional architects or allied professionals; where partnerships are concerned, the beneficial interest in the capital assets and profits of the partnership shall be held by Singapore-registered architects or allied professionals.

Allied professionals are Singapore-registered land surveyors and engineers.

Phase-out

The requirement of "residency" in Singapore shall be phased out by April 2005. The requirement that not less than two-thirds of the directors of a corporation be Singapore-registered or allied professionals shall be reduced to 51 % by April 2005.

Sector	Business Services
Sub-Sector	Financial Auditing services
Industry Classification	CPC 86211 Financial auditing services
Type of Reservation	National Treatment Local Presence
Source of Measure	*The Accountants Act 2004*, Sections 10(1), 17(3)(d) and 18(3)(c) *Accounts (Public Accountants) Rules 2004*, Second Schedule, Paragraph 7
Description of Reservation	<u>Cross-Border Services and Investment</u> Only service suppliers who are registered with the Institute of Certified Public Accountants of Singapore (ICPAS) and the Accounting and Corporate Regulatory Authority shall be registered as public accountants and appointed as company auditor. The business of the firm and accounting corporation, so far as it related to the supply of public accountancy services in Singapore, shall be under the control and management of a public accountant ordinarily resident in Singapore.

Sector	Business – Professional Services
Sub-Sector	Land Surveying Services
Industry Classification	-
Type of Reservation	National Treatment Local Presence
Source of Measure	*Land Surveyors Act*, Cap. 156, 1992 Revised Edition, Sections 12-16 and 22-28 *Land Surveyors Rules,* Rules 2-20
Description of Reservation	<u>Cross-Border Services and Investment</u> All persons seeking to provide land surveying services in Singapore are required to register with the Land Surveyors Board, be resident in Singapore and have had practical experience in surveying in Singapore. All corporations and partnerships (including those which are providing land surveying services as part of a multi-disciplinary corporation or practice) seeking to provide land surveying services must obtain a licence from the Board. To qualify for the licence, the corporation or partnership must:: (i) be under the control and management of a director or partner who is a registered surveyor resident in Singapore; where a multi-disciplinary corporation or partnership is concerned, the business of the corporation or partnership relating to land surveying services must be under the control and management of a director or partner who is a registered surveyor resident in Singapore; and (ii) where corporations are concerned, all its directors must be

registered surveyors or allied professionals and not less than two-thirds of each class of shares shall be beneficially owned by and registered in the names of registered surveyors and/or allied professionals; where partnerships are concerned, only registered surveyors and allied professionals can have a beneficial interest in the capital assets and profits of the partnership.

Allied professionals are professionally registered engineers and architects.

Phase-out

The requirement of "residency" in Singapore and that not less than two-thirds of each class of shares of a corporation providing land surveying services be beneficially owned by and registered in the names of Singapore registered surveyors and/or allied professionals shall be phased out by Jan 2005.

Sector	Business Services
Sub-Sector	Patent Agent Services
Industry Classification	-
Type of Reservation	National Treatment Local Presence
Source of Measure	*Patents Act*, Cap. 221
Description of Reservation	<u>Cross-border Services and Investment</u> Only persons registered with the Intellectual Property Office of Singapore (IPOS) and resident in Singapore are allowed to carry on a business, practise or act as a patent agent in Singapore. Only enterprises which have at least one Singapore registered patent agent as a director and partner, as the case may be, are allowed to carry on a business, practise or act as a patent agent in Singapore.

Sector	Business services
Sub-Sector	Placement and supply services of personnel
Industry Classification	CPC 87204 Supply services of domestic help personnel
Type of Reservation	Local Presence
Source of Measure	*Employment Agencies Act*, Cap. 92, Section 2
Description of Reservation	Cross-Border Services Only service suppliers with local presence shall be allowed to set up employment agencies and place foreign workers in Singapore. These agencies are not the direct employer of foreign workers in Singapore. They serve as intermediaries to help source and supply foreign workers to employers of these workers. Thus, this reservation shall be read with the Annex 9B reservation relating to the supply of a service by a natural person.

Sector	Business Services
Sub-Sector	Professional Engineering services
	Professional engineering services includes any professional service, consultation, investigation, evaluation, planning, design or responsible supervision of construction or operation in connection with any public or privately owned public utilities, buildings, machines, equipment, processes, works or projects wherein the public interest and welfare, or the safeguarding of life, public health or property is concerned or involved, and that requires the application of engineering principles and data.
Industry Classification	-
Type of Reservation	National Treatment Local Presence
Source of Measure	*Professional Engineers Act*, Cap. 253, Sections 10, 11, 20-26
Description of Reservation	Cross-Border Services and Investment
	Only persons who are registered with the Professional Engineers Board (PEB) and resident in Singapore are allowed to provide professional engineering services. All corporations and partnerships supplying professional engineering services in Singapore (including those who are providing professional engineering services as part of a multi-disciplinary corporation or practice) shall obtain a licence from PEB. To qualify for the licence, the corporation or partnership shall: (i) be under the control and management of a director or partner who is a Singapore-registered professional engineer resident in Singapore; where a multi-disciplinary corporation or partnership is concerned, the business of the corporation or partnership relating to professional engineering services must

be under the control the and management of a director or partner who is a Singapore-registered professional engineer resident in Singapore, and

(ii) where limited corporations are concerned, at least 51 % of the directors of the corporation shall be Singapore-registered professional engineers or allied professionals; where unlimited corporations are concerned, all the directors or members shall be registered professional engineers or allied professionals; where partnerships are concerned, the beneficial interest in the capital assets and profits of the partnerships shall be held by Singapore-registered professional engineers or allied professionals.

Allied professionals are Singapore-registered land surveyors and architects.

Sector	Business Services
Sub-Sector	Real Estate Services
Industry Classification	CPC 82202 Non-residential property management services on a fee or contract basis
Type of Reservation	Market Access National Treatment
Source of Measure	*Sentosa Development Corporation Act*, Cap. 291, Revised Edition 1998 (30th May 1998), Para (9)
Description of Reservation	<u>Cross-Border Services and Investment</u> Only the Sentosa Development Corporation and/or its successor body shall be allowed to develop and manage the resort island of Sentosa and its waterways and the Southern Islands of Singapore. However, private developers are allowed to develop specific plots of land on Sentosa and the Southern Islands of Singapore for commercial, residential and recreational purposes. For the purpose of this reservation, the "Southern Islands of Singapore" are St. John's Island, Lazarus Island, Kusu Island, Pulau Renggit, Sister's Island, Pulau Hantu, Pulau Biola, Pulau Jong and Pulau Tekukor.

Sector	Business Services
Sub-Sector	Testing, analytical and certification services on animals, plants, and products derived from animals and plants
Industry Classification	-
Type of Reservation	Local Presence
Source of Measure	*Agri-Food and Veterinary Authority Act*, Cap. 5, 2001 Revised Edition *Animals and Birds Act*, Cap. 7, 2002 Revised Edition, Section 4 *Control of Plants Act*, Cap. 57A, 2000 Revised Edition, Section 27
Description of Reservation	<u>Cross-border Services</u> Only service suppliers with local presence shall be allowed to provide testing, analytical and certification services on animals, plants, and products derived from animals and plants, physically present in Singapore, including where such items are intended for import, export and import for the purposes of re-export.

Sector	Business services n.e.c. – Investigation and security services
Sub-Sector	Private Investigation Services Unarmed Guard Services
Industry Classification	CPC 87301 Investigation Services CPC 87302 Security Consultation Services CPC 87305 Guard Services (only applies to unarmed security guard services)
Type of Reservation	National Treatment Market Access Senior Management and Board of Directors
Source of Measure	*Private Investigation and Security Agencies Act*, Cap. 249, Regulation 23
Description of Reservation	<u>Cross-border Services and Investment</u> Only Singapore citizens or permanent residents and Malaysian citizens can be employed as security guards or as private investigators in enterprises providing private investigation or security guard services. Foreigners can be involved in the administration of the enterprise. All enterprises providing unarmed guard services are precluded from escorting cash-in transit operations of S$250,000 and above. Please also note Singapore's reservation for armed guard services in Annex 9B.

Sector	Community, Personal and Social Services
Sub-Sector	Services of co-operative societies
Industry Classification	CPC 952, Services furnished by membership organisations n.e.c (only applies to co-operative society services)
Type of Reservation	National Treatment Local Presence Senior Management and Boards of Directors
Source of Measure	*Co-operative Societies Act*, Cap. 62
Description of Reservation	<u>Cross-Border Services and Investment</u> Only service suppliers with local presence can be registered under the Co-operative Societies Act. Registration allows a co-operative society to be exempt from taxation measures applicable to other enterprises. As a general rule, only Singapore citizens are allowed to hold office or be a member of the management committee of a co-operative society. Foreigners may be allowed to hold office or be a member of the management committee of a co-operative society, on a case-by-case basis. A person who is not a Singapore citizen can form and join a co-operative society if he or she is resident in Singapore. A foreign co-operative society may be allowed to acquire the shares of a Singapore cooperative society, on a case by case basis.

Sector	Education Services
Sub-Sector	Higher Education Services in relation to the training of doctors
Industry Classification	CPC 92390 Other Higher Education Services (Only applies to Higher Education Services in relation to the training of doctors)
Type of reservation	National Treatment
Source of Source of Measure	*Medical Registration Act*, Part V, Specialist Accreditation Board, Sections 2, 3, 34 and 35
Description of Reservation	<u>Investment</u> Only local tertiary institutions shall be allowed to operate undergraduate or graduate programmes for the training of doctors. Local tertiary institutions are tertiary institutions which are established pursuant to an Act of Parliament.

Sector	Health and Social Services
Sub-Sector	Contact Lens Practitioners Deliveries and related services, nursing services, physiotherapeutic and para-medical services (only for nursing and midwife services)
Industry Classification	- CPC 93191 Deliveries and related services, nursing services, physiotherapeutic and para-medical services (Only applies to nursing and midwife services)
Type of Reservation	Local Presence
Source of Measure	*Nurses and Midwives Act*, Cap 209, Sections 26-30 *Contact Lens Practitioner Act,* Cap. 53A, Sections 4-7
Description of Reservation	<u>Cross-border Services</u> <u>Contact Lens Practitioners</u> Only persons who are resident in Singapore are allowed to be Contact Lens Practitioners. <u>Nurses and midwives</u> Only persons who are registered with the Singapore Nursing Board and resident in Singapore are allowed to provide nursing or midwife services.

Sector	Health and Social Services
Sub-Sector	Medical Services
Industry Classification	CPC 9312 Medical Services
Type of Reservation	National Treatment Local Presence
Source of Measure	*Medical Registration Act*, Cap. 174, 2004 Edition, Sections 13, 21 and 23
Description of Reservation	Cross-border Services Only persons who are registered with the Singapore Medical Council and resident in Singapore can provide medical services. Persons seeking to be registered with the Singapore Medical Council and who are not Singapore citizens will have to complete 6 years of conditional registration before he or she is eligible for full registration.

Sector	Health and Social Services
Sub-Sector	Pharmacy Services
Industry Classification	-
Type of Reservation	Local Presence
Source of Measure	*Pharmacists Registration Act*, Cap 230, Sections 5-8 and 11-14 *Medicines Act*, Cap 176, Part IV, Pharmacies, Medicines (Registration of Pharmacists) Regulations
Description of Reservation	<u>Cross-border Services</u> Only persons who are registered with the Singapore Pharmacy Board and resident in Singapore are allowed to provide pharmacy services. Only Singapore registered pharmacists (apart from medical professionals) can prepare, dispense, assemble or sell medicinal products as defined under the Medicines Act, Cap 176.

Sector	Import, export and trading services
Sub-Sector	-
Industrial Classification	-
Type of Reservation	Local Presence
Source of Measure	*Regulation of Imports and Exports Act*, Cap. 272 A Regulation of Imports and Exports Regulation
Description of Reservation	<u>Cross-border Services</u> Only enterprises with local presence are allowed to apply for import/export permits, certificates of origin or other trade documents from the relevant authorities.

Sector	Manufacturing
Sub-Sector	-
Industry Classification	-
Type of Reservation	National Treatment Performance Requirements
Source of Measure	*Control of Manufacture Act*, Cap. 57, 2001 Revised Edition
Description of Reservation	<u>Investment</u> The manufacture of the following products, in Singapore, may be subject to certain restrictions which are inconsistent with National Treatment and Performance Requirements obligations: (a) beer and stout; (b) cigars; (c) drawn steel products; (d) chewing gum, bubble gum, dental chewing gum or any like substance (not being a medicinal product within the meaning of the Medicines Act (Cap. 176) or a substance in respect of which an order under section 54 of that Act has been made); (e) cigarettes; and (f) matches.

Sector	Telecommunications Services
Sub-Sector	Telecommunication Services
Industry Classification	-
Type of Reservation	Market Access National Treatment Local Presence
Source of Measure	*Info-communications Development Authority of Singapore Act,* Cap. 137A *Telecommunications Act*, Cap. 323
Description of Reservation	<u>Cross-Border Services</u> A facilities-based operator (FBO) must be a company incorporated under the Singapore Companies Act, Chapter 50 (1994)[1]. A services-based operator (SBO) must be a company incorporated or a foreign company registered under the Singapore Companies Act, Chapter 50 (1994). The number of licences granted will be limited only by resource constraints, such as the availability of radio frequency spectrum. In view of spectrum constraints, parties interested in deploying networks based on wireless technology may be licensed to use radio frequency spectrum via a tender or auction process.

[1] A facilities-based operator deploying only fixed wireless infrastructure for public broadband multimedia services through the use of nationwide wireless LAN, LMDS, infra-red and laser technologies may be a foreign company registered under the Singapore Companies Act, Chapter 50 (1994).

Sector	Telecommunications Services
Sub-Sector	Telecommunications Services Domain name allocation policies in Internet country code top level domains (ccTLDs) corresponding to Singapore territories (.sg)
Industry Classification	-
Type of Reservation	Market Access National Treatment Local Presence
Source of Measure	*Info-communications Development Authority of Singapore Act*, Cap. 137A *Telecommunications Act* (Cap. 323) The Internet Corporation for Assigned Names and Numbers (ICANN), which recognises the ultimate authority of sovereign Governments over ccTLDs corresponding to their territories.
Description of Reservation	<u>Cross-Border Services</u> *A* registrar must be a company incorporated or a foreign company registered under the Singapore Companies Act, Chapter 50 (1994).

Sector	Power supply
Sub-Sector	-
Industry Classification	-
Type of Reservation	Market Access National Treatment
Source of Measure	*Electricity Act*, Cap. 89A, 2002 Revised Edition, Sections 6(1) and 9(1)
Description of Reservation	<u>Cross-Border Services</u> Power producers, whether or not foreign-owned and whether located within or outside Singapore, shall only sell power through the Singapore electricity wholesale market and shall not be allowed to sell directly to consumers. The amount of power supplied cumulatively by power producers located outside of Singapore to Singapore's wholesale power market shall not exceed 600 MW.

Sector	Power supply
Sub-Sector	-
Industry Classification	-
Type of Reservation	Market Access National Treatment
Source of Measure	*Electricity Act*, Cap. 89A, 2002 Revised Edition, Sections 6(1) and 9(1)
Description of Reservation	<u>Cross-Border Services and Investment</u> Only SP Services Ltd and/or its successor body shall be allowed to supply electricity to: (i) all household consumers of electricity; and (ii) non-household consumers of electricity whose Average monthly consumption is below 10,000kWh; and (iii) consumers whose electricity is supplied at single-phase low voltage.

Sector	Power transmission and distribution
Sub-Sector	-
Industry Classification	-
Type of Reservation	Market Access National Treatment
Source of Measure	*Electricity Act*, Cap. 89A, 2002 Revised Edition, Sections 6(1) and 9(1)
Description of Reservation	<u>Cross-Border Services and Investment</u> Only Power Assets Ltd and/or its successor body shall be the transmission licensee as defined in the Electricity Act. Power Assets Ltd and/or its successor body shall be the sole owner and operator of the electricity transmission and distribution network in Singapore.

Sector	Trade services
Sub-Sector	Distribution and Sale of Hazardous Substances
Industrial Classification	-
Type of Reservation	Local Presence
Source of Measure	*Environmental Pollution Control Act*, Cap. 94A, Section 22
Description of Reservation	Cross-border Services Only service suppliers with local presence are allowed to distribute and sell hazardous substances (as defined in the Environmental Pollution Control Act)

Sector	Trade services
Sub-Sector	Retailing Services Wholesale Trade Services
Industry Classification	-
Type of Reservation	National Treatment
Source of Measure	*Medicines Act*, Cap. 176, Sections 6(3), 36 and 37
Description of Reservation	<u>Cross Border Services and Investment</u> Only service suppliers who appoint a local agent are allowed to provide wholesale, retail and distribution services for medical and health-related products and materials, intended for the purpose of treating, alleviating, preventing or diagnosing any medical condition, disease or injury, as well as any other such items that may have an impact on the health and well-being of the human body. Such products and materials include but are not limited to drugs and pharmaceuticals, traditional medicines, health supplements, diagnostic test kits, medical devices, cosmetics, tobacco products, radioactive materials and irradiating apparatuses.

Sector	Transport Services
Sub-Sector	Air Transport Services - Passengers Transportation by Air Freight Transportation by Air
Industry Classification	CPC 731 Passenger Transportation by Air CPC 732 Freight Transportation by Air
Type of Reservation	National Treatment
Source of Measure	-
Description of Reservation	<u>Investment</u> Service suppliers providing air transport services (for both passenger and freight) as a Singapore designated airline shall have to comply with the "effective control" and/or "substantial ownership" requirements of Singapore's bilateral and multilateral air services agreements. Compliance with the requirements of these agreements may require these service suppliers to comply with conditions on effective control and limits on the foreign ownership as stipulated in Singapore's bilateral and multilateral air services agreements.

Sector	Transport Services
Sub-Sector	Maritime Transport Services Cargo Handling Services Pilotage Services Supply of Desalinated Water to Ships berthed at Singapore ports or in Singapore territorial waters
Industry Classification	CPC 741 Cargo Handling Services CPC 74520 Pilotage and Berthing Services (only applies to Pilotage Services) Supply of Desalinated Water to Ships berthed at Singapore ports or in Singapore territorial waters
Type of Reservation	Market Access National Treatment
Source of Measure	*Maritime and Port Authority of Singapore Act,* Cap. 170A, 1997 Revised Edition, Section 81
Description of Reservation	<u>Cross-Border Services and Investment</u> Only service suppliers licensed by the Maritime and Port Authority of Singapore are allowed to provide cargo handling services. Only PSA Marine (Pte) Ltd and/or its successor body shall be allowed to provide pilotage services and supply desalinated water to ships berthed at Singapore ports or in Singapore territorial waters.

Sector	Transport Services
Sub-Sector	Maritime Transport Services
Industry Classification	-
Type of Reservation	Market Access National Treatment Local Presence
Source of Measure	*Maritime and Port Authority of Singapore Act*, Cap. 170A, 1997 Revised Edition, Section 81
Description of Reservation	<u>Cross-Border Services and Investment</u> Only service suppliers licenced by the Maritime and Port Authority of Singapore are allowed to operate and manage cruise and ferry terminals.

Sector	Transport Services
Sub-Sector	Maritime Transport Services
Industry Classification	-
Type of Reservation	National Treatment
Source of Measure	*Merchant Shipping Act*, Cap. 179, 1996 Revised Edition, Section 8 *Merchant Shipping (Registration of Ships) (Amendment) Regulations 2004*
Description of Reservation	<u>Cross-Border Services and Investment</u> Only a Singapore citizen or permanent resident or Singapore legal person shall be allowed to register a ship under the Singapore flag. All Singapore legal persons seeking to register ships under the Singapore flag shall appoint a ship manager who is resident in Singapore. Vessels or ships owned by Singapore legal persons that are not majority owned by Singapore citizens or Singapore permanent residents shall be of at least 1,600 Gross Tonnage and be self-propelled before they can be registered under the Singapore flag. For the purposes of this reservation, a Singapore legal person is a locally incorporated company.

Sector	Transport Services
Sub-Sector	Maritime Transport Services
Industry Classification	-
Type of Reservation	National Treatment
Source of Measure	*Maritime and Port Authority of Singapore Act*, Cap. 170A, 1997 Revised Edition, Section 40 *Maritime and Port Authority of Singapore (Registration and Employment of Seamen) Regulations*
Description of Reservation	Cross-Border Services Only Singapore citizens and permanent residents can register as Singapore seamen as defined in the Maritime and Port Authority of Singapore Act.

Sector	Production, retail, transportation and distribution of manufactured gas and natural gas (piped gas)
Sub-Sector	-
Industry Classification	-
Type of Reservation	Market Access National Treatment
Source of Measure	*Gas Act*, Cap. 116A
Description of Reservation	<u>Cross-Border Services and Investment</u> Only City Gas Ltd and/or its successor body shall be allowed to produce and retail manufactured gas. Only PowerGas Ltd and/or its successor body shall be allowed to transport and distribute manufactured and natural gas (piped gas). PowerGas Ltd and/or its successor body shall be the sole owner and operator of the gas pipeline in Singapore.

ANNEX 9B : Reservations for Future Measures

Section 1 : Headnotes

1. Where appropriate, reservations are referenced to the Provisional Central Product Classification (CPC) as set out in Statistical Office of the United Nations Statistical Papers, Series M, No. 77, Provisional Central Product Classification, 1991 (UN CPC code).

2. This Annex sets out the reservations taken by each Party for sectors, subsectors or activities for which it may maintain existing or adopt new measures that do not conform with obligations imposed by Articles 9.3, 9.4, 9.5, and Articles 10.4, 10.7 and 10.8 .

3. The sectors, subsectors or activities to which a reservation applies shall be stated in the Description of Reservation element. In the interpretation of a reservation, all elements of the reservation shall be considered in their totality.

4. Local Presence and National Treatment are separate disciplines and a measure that is only inconsistent with Local Presence need not be reserved against National Treatment.

5. If the non-conforming measures listed in Annex 9B are measures of the central government and are delegated to a local government after the entry into force of this Agreement, the local government, thereafter, shall have the same right as the central government did to maintain or adopt any measure with respect to delegated sectors.

6. The reservations and commitments relating to trade in services shall be read together with the relevant guidelines, stated in GATT documents MTN.GNS/W/164 dated 3 September 1993 and MTN.GNS/W/164 Add.1 dated 30 November 1993.

7. Each reservation sets out the following elements:

(a) **Sector** refers to the general sector in which the reservation is taken;

(b) **Sub-Sector** refers to the specific sector in which the reservation is taken;

(c) **Industry Classification** refers, where applicable, to the activity covered by the reservation according to the UN CPC code or domestic industry classification codes;

(d) **Type of Reservation** specifies the obligation (National Treatment,

Market Access, Local Presence, Performances Requirements, Senior Management and Board of Directors) for which a reservation is taken;

(e) **Description of Reservation** sets out the scope of the sector, sub-sector or activities to which the reservation applies; and

(f) **Existing Measures** identifies, for transparency purposes only, existing laws, regulations, rules, procedures, decisions, administrative actions or any other forms in relation to the non-conforming measures that apply to the sector, sub-sector or activities covered by the reservation. The measures stipulated therein are not exhaustive.

Section 2: Schedule of Korea

Sector: All sectors

Sub-Sector:

Industry Classification:

Type of Reservation: National Treatment, Market Access, Local Presence

Description: Cross-Border Trade in Services and Investment

Korea reserves the right to adopt or maintain any measure with respect to the supply of a service by the presence of natural persons, or other movement of natural persons, including immigration, entry or temporary stay, subject to the provisions of the Chapter 12(Temporary Entry of Business Persons)

Existing Measure:

Sector: All sectors

Sub-Sector: Capital Transactions of Non-Residents

Industry Classification:

Type of Reservation: National Treatment

Description: Investment

A non-resident is subject to authorization from the Minister of Finance and Economy or the Governor of the Bank of Korea in the following cases:

(a) when receiving won-denominated loans or borrowing won-denominated securities from a resident, which exceeds a certain amount(1 billion won for won-denominated loans and 5 billion won for won-denominated securities) pursuant to the *Foreign Exchange Transaction Act*; and

(b) when issuing won-denominated securities with short-term maturities.

Residents are subject to authorization from theMinister of Finance and Economy or the Governor of the Bank of Korea in cases when non-residents grant short-term financial credit to a financially unsound domestic enterprise designated in the *Foreign Exchange Transaction Act*, or grant financial credits to domestic individuals or non-profit institutions, which are guaranteed by or are based on collaterals from other residents.

Authorization is required from the Governor of the Bank of Korea in case a non-resident receives foreign currency denominated financial credits, guarantees or collaterals from residents as set out in the *Foreign Exchange Transaction Act*.

Authorization is required from the Governor of the Bank of Korea for a non-resident to make a certain transaction by means of derivatives that is not permitted under the *Foreign Exchange Transaction Act*.

Existing Measure: *Law No. 6277, The Foreign Exchange Transaction Act,* Oct. 23, 2000

Sector:	All sectors
Sub-Sector:	Defense industry
Industry Classification:	
Type of Reservation:	National Treatment, Local Presence, Market Access Performance Requirements, Senior Management and Boards of Directors
Description:	Cross-Border Trade in Services and Investment Korea reserves the right to adopt or maintain any measure with respect to cross border trade in services and investments in the defense industry. Foreign investors who intend to acquire the outstanding shares (stipulated in the article 2 of the Foreign Investment Promotion Act) of defense industry other than the newly issued ones(the enterprise stipulated in Article 2 of the Act on Special measures for Defense Industry) shall obtain a prior permission from the Minister of Commerce, industry and Energy.
Existing Measure:	*Law No. 7039* The Article 6 of the *Foreign Investment Promotion Act*, Dec. 31, 2003 *Law No. 5559* Article 6 of the *Foreign Investment Promotion Act,* Sept.16, 1998

Sector: All Sectors

Sub-Sector:

Industry Classification:

Type of Reservation: National Treatment
Performance Requirements
Senior Management and Boards of Directors

Description: Investment

With respect to the transfer or disposal of stocks or assets held in an existing state-owned or government entity in such industries as electricity and gas, Korea reserves the right to prohibit or restrict the ownership of such interests or assets.

Korea also reserves the right to prohibit or limit the rights of Singaporean investors and investors of non-Parties to control a company or investment created in such a process.

In connection with such transfer or disposal, Korea may adopt or maintain any measures related to performance requirements and the nationality of senior management and members of the Board of Directors.

For the purposes of this reservation:

(a) any measure maintained or adopted after the effective date of this Agreement which, at the time of the transfer or disposal, prohibits or restricts ownership of such interest or assets or imposes the nationality requirements set forth herein shall be considered to be a measure in force; and

(b) a "state-owned company" shall mean any company

owned or controlled by Korea by means of an interest share in the ownership thereof, and shall include any company created after the effective date of this Agreement for the sole purpose of selling or disposing its interest share in the capital or assets of an existing state or government entity.

Existing Measure:

Sector: All sectors

Sub-Sector:

Industry Classification:

Type of Reservation: National Treatment

Description: Investment

Korea reserves the right to adopt or maintain any measure with respect to land acquisition by foreigners.

Present measures, *inter alia*, are as follows:

(a) When a foreign national, foreign legal entity, foreign government or an international organization ("foreigner") has signed a contract for acquisition of land within the territory of Korea, a report of the acquisition must be made to the head of the shi/kun/ku within 60 days from the conclusion of the contract. Penalties are assessed in cases of violations.

(b) In cases of land designated for national defense, cultural protection and ecosystem/wildlife protection, among others, permission from the head of the shi/kun/ku is required prior to the conclusion of the contract for land acquisition. Contracts concluded without such permission are invalid and punishable.

(c) Any land acquired by a foreigner by means of inheritance, auction, or any cause other than contracts shall also be reported to the head of shi/kun/ku within 6 months of the acquisition. Violations are assessed with penalty fees.

(d) When a national, a juristic person or an organization of Korea with ownership of land changes nationality and wishes to maintain ownership of the land, a report must be made to the head of shi/kun/ku within 6 months from the change of nationality.

Existing Measure: Articles 4, 5, 6 of the *Foreigner's Land Acquisition Act* (*Law No. 7167*, Feb. 9, 2004)

Sector: All Sectors

Sub-Sector:

Industry Classification:

Type of Reservation: Market Access, National Treatment, Local Presence, Performance Requirements, Senior Management and Boards of Directors

Description: Cross-Border Trade in Services and Investment

Korea reserves the right to adopt or maintain any measure affecting the full or partial devolvement to the private sector of services provided in the exercise of governmental authority

Existing Measure:

Sector:	Business Services
Sub-Sector:	Agricultural and manufacturing services
Industry Classification:	CPC 88 Agricultural and manufacturing services (except CPC 883, 8847, 8854, 8855, 8856, 8857, 8852)
Type of Reservation:	National Treatment, Local Presence, Market Access, Performance Requirement, Senior Management and Board of Directors
Description:	Cross-Border Trade in Services and Investment Korea reserves the right to adopt or maintain any measure with respect to agricultural and manufacturing services.

Existing Measure

Sector: Arms and explosives

Sub-Sector:

Industry Classification:

Type of Reservation: National Treatment, Local Presence, Market Access
Performance Requirements
Senior Management and Boards of Directors

Description: Cross-Border Trade in Services and Investment

Korea reserves the right to adopt or maintain any measure affecting the arms and explosives sector. The manufacture, use, sale, storage, transport, importation, exportation and possession of arms and explosives are regulated for protection of vital security interests.

Existing Measure

Sector:	Business Services
Sub-Sector:	Credit Reporting Services
Industry Classification:	
Type of Reservation:	National Treatment, Local Presence, Market Access Performance Requirements Senior Management and Boards of Directors
Description:	Cross-Border Trade in Services and Investment Korea reserves the right to adopt or maintain any measure affecting ths supply of credit reporting services.

Existing Measure

Sector:	Business and Production Services
Sub-Sector:	
Industry Classification:	CPC 82400 Insolvency and Receivership Services
Type of Reservation:	National Treatment, Local Presence, Market Access, Performance Requirement, Senior Management and Board of Directors

Description: Cross-Border Trade in Services and Investment

In order to organize and manage a corporate restructuring cooperative under the Industrial Development Act or be eligible for the special provision for bond issuance limit under the Industrial Development Act and tax reduction or exemption under the tax laws while conducting investment business such as business acquisition, normalization or sale, etc. with companies subject to corporate restructuring, one must establish a *chusik hoesa* under the Commercial Code with paid-in capital of 7 billion won or more and be registered with the Minister of Commerce, Industry and Energy as a corporate restructuring company ("CRC").

For acquisition of insolvent companies and investment in a normalization business, a CRC may invest with its own account or through the management of the account of the corporate restructuring cooperative (the "CR Fund").

For protection of the investors, the CRC, which manages its own account and the CR Fund account, should be established as a *chusik hoesa* under the Commercial Code with a certain minimum paid-in capital and be subject to an audit by an independent outside auditor pursuant to the Law on the External Audit of Stock Companies. Also, the financial statements of the CRC such as the balance sheet, etc. should be disclosed.

Korea reserves the right to adopt or maintain any measure relating to investment company for corporate restructuring.

Existing Measure: *Law No. 7092*, Article 14 of the *Industrial Development Act* and Article 9 of the *Enforcement Decree of the Industrial Development Act*, Jan 20, 2004
Law No. 6891, Article 3, 8, 9, 12 of *Corporate Restructuring Investment Company Act*, May 29, 2003

Sector: Business Services/ Construction Services

Sub-Sector :

Industry Classification: CPC 82 Real Estate Services
CPC 8674 Urban Planning & Landscape Architecture
CPC 51* Construction Services

Type of Reservation: National Treatment, Local Presence, Market Access

Description: Cross-Border Trade in Services and Investment

Korea reserves the right to adopt or maintain any measure relating to real estate services (development and supply, management, sales and rentals).

Present measures, *inter alia*, are as follows.

A person who intends to operate rental housing business shall meet the housing ownership standards, etc. stipulated in the Rental Housing Act, its Enforcement Decree, and its Enforcement Regulations and shall follow the proper procedures to register with the head of shi/gun/gu.

In the case of rental housing units constructed with the assistance of the Housing Fund or the use of public land, the level of deposit and/or rent to be charged shall be determined in accordance with government guidelines. To change the length of the lease contract, the level of deposit or the rent, a report must be filed with the head of shi/gun/gu.

Residential site development projects shall be implemented by an entity designated by the Minister of Construction and Transportation. Only the national

government, local autonomous governments, Korea Land Corporation, Korea National Housing Corporation, local public corporations under the Local Public Enterprises Act, and public-private joint corporations established for developing housing sites shall be entitled to be designated.

A person who intends to operate a housing construction business or a site preparation business that exceeds a particular scale shall establish an office and register with the Minister of Construction and Transportation in accordance with provisions of the Housing Act, its Enforcement Decree, and its Enforcement Regulations.

A registered business that meets related criteria (performance capability, past housing construction records, etc.) under the Enforcement Decree of the Housing Act may be recognized as a contractor under the Framework Act on the Construction Industry and may execute housing construction projects. In this case, however, the size of the project shall be restricted in accordance with the relevant regulations.

Existing Measure: Article 6, 14, 16 of the *Rental Housing Act* (*Law No. 6916*, May 29, 2003)
Article 7 of the *Housing Site Development Promotion Act* (*Law No. 6916*, May 29, 2003)
Articles 9 and 12 of the *Housing Act* (*Law No. 7159*, Jan. 29,2004)

Sector: Business Service

Sub-Sector: Other Business Services

Industry Classification: CPC 88442 Printing, Publishing Services

Type of Reservation: National Treatment, Market Access, , Performance Requirements, Senior Management and Boards of Directors

Description: Cross-Border Trade in Services and Investment

Republic of Korea reserves the right to maintain or adopt any measure affecting the publishing or printing of periodical*, including but not limited to, restrictions on shareholding, marketing and management control.

Present measures, *inter alia*, are as follows:

Filing a report with the Minister of Culture and Tourism should be required when the publication of a periodical is financed, in any part, by foreign funds.

As for publication of a periodical, it is mandatory to submit a document proving the fact of filing with the Minister of Commerce, Industry and Energy when its property is financed by a foreigner, a foreign legal entity or a foreign organization.

Any natural or juridical person who falls under either of the following subparagraphs shall not serve as a publisher or editor of a periodical in Korea

(a) a person who is not of Korean nationality
(b) a person who has no domicile in Korea

A foreign government, a foreign juristic person, a foreign organization, or

a legal entity or legal organization whose representative is a person falling under either of the subparagraphs (a) or (b) above can not publish a daily newspaper or general weekly newspaper, unless such periodical is published for the sole purpose of disseminating among its members.

A foreigner, foreign juridical entity or foreign organization which holds stocks or shares in excess of the rates falling under either of the following subparagraphs shall not publish a periodical in Korea:

(a) For daily newspapers: 30 per cent
(b) For all other periodicals: 50 per cent

Any person who intends to establish a branch or district office of foreign periodicals in Korea shall obtain permission from the Minister of Culture and Tourism

Existing Measure: *Law No. 6905*, Articles 3, 4, 9, 15 of the *Registration etc. Periodicals Act,* May. 29, 2003
Presidential Decree No. 18153, Articles 4, 18, 19, 20, 21 of its *Enforcement Decree,* Dec. 3, 2003

*' Periodicals mean newspapers, magazines and other publications which are published continually under the same title at least twice a year as defined in Article 2 of the *Registration etc. Periodicals Act,* May. 29, 2003

Sector: Community, Personal and Social Services

Sub-Sector: Services furnished by trade unions

Industry Classification: CPC 952 Services furnished by trade unions

Type of Reservation: Market Access**,** National Treatment, Local Presence, Performance Requirements, Senior Management and Boards of Directors

Description: Cross-Border Trade in Services and Investment

Korea reserves the right to maintain or adopt any measure affecting services provided by trade unions.

Existing Measure:

Sector: Communication Services

Sub-sector : Broadcasting Services

Industry Classification:

Type of Reservation: National Treatment, Local Presence, Market Access Performance Requirements, Senior Management and Boards of Directors

Description: Cross-Border Trade in Services and Investment

Korea reserves the right to adopt or maintain any measure with respect to

(a) broadcasting services* including measures with respect to planning, licensing and spectrum management, and including
- services offered in Korea
- international services originating from Korea.

(b) foreign investment in the broadcasting services sector, including the one-way satellite transmission direct to Home(DTH), direct broadcasting satellite(DBS) television services, data broadcasting services and mobile multi-media broadcasting services(i.e. DMB)

Existing Measure: *Law No. 7213,* Article 8,9,12,13~18,37,69~78, and 86 of the *Broadcasting Act,* Mar.22, 2004.

* Broadcasting services are defined as the transmission of the broadcast programmes which are planned, produced and scheduled of all types, transmitted by telecommunication intended to be received by public (including recipients under individual contract).

Sector: Communication Services

Sub-Sector : Postal Services

Industry Classification: CPC 7511 Postal Services

Type of Reservation: National Treatment, Local Presence, Market Access

Description: Cross-Border Trade in Services and Investment

Korea reserves the right to legislate(adopt) or maintain any measure relating to Postal Services operation and provision by foreigners.

The current measures are as follows :

The Korean Postal Authority reserves exclusive rights for collecting, processing and delivering domestic and international letters.

Services by private couriers relating to the commercial documents below are excluded from this reservation.

(a) unsealed freight-attached documents or dispatch notes
(b) trade-related documents
(c) foreign capital or technology related documents
(d) foreign exchange or its related documents
(e) commercial documents which are delivered between a headquarters of a company and its branch or between branches of a company, and whose delivery must be made in 12 hours after being dispatched

The Postal Services are not the area in which foreigners could invest. This reservation does not include those services mentioned in the preceding paragraph.

(Notification No. 1999-58 of the Ministry of Commerce, Industry and Energy, and Paragraph 4 of Article 4 of the Foreign Investment Promotion Act, Act No. 6643, Jan. 26, 2002)

The Korean Postal Authority reserves the right to determine Postal Prohibited Goods.

The Korean Postal Authority reserves the rights to set postal rates and to issue postage stamps and to determine the scope of postage-free mail and to discount postage.

Existing Measure: Article 2 of the *Postal Service Act*, Act No. 6196, Jan.21, 2000

Notification No. 1999-58 of the Ministry of Commerce, Industry and Energy, and Paragraph 4th of Article 4 of the *Foreign Investment Promotion Act*, Act No. 6643, Jan. 26, 2002

Article 17 of the *Postal Service Act*, Act No. 6196, Jan.21, 2000

Articles 19, 21, 26 and 26-2 of the *Postal Service Act*, Act No. 6196, Jan.21, 2000

Sector:	Distribution Services
Sub-sector:	
Industry Classification:	CPC 621(excluding 62111) Commission agents' services CPC 622 Wholesale trade services
Type of Reservation:	National Treatment, Local Presence, Market Access, Performance Requirement, Senior Management and Board of Directors
Description:	Cross-Border Trade in Services and Investment Korea reserves the right to adopt and maintain any measure with respect to commission agents' services of agricultural raw materials, live animals, food products, beverages, and wholesale trade services of grain, meat, poultry, grain powder, red ginseng, fertilizer.

Existing Measure:

Sector: Education Services

Sub-sector:

Industry Classification: Primary Education Services (CPC 921), Secondary Education Services (CPC 922) Higher Education Services (CPC923), Adult Education Services (CPC924), Other Education Services (CPC929)

Type of Reservation: National Treatment, Market Access

Description: Cross-Border Trade in Services and Investment

Korea reserves the right to adopt or maintain any measure related to the provision of a service from the territory of a Party into the territory of the other Party for primary education, secondary education, higher education, health and medical-related adult education, degree-conferring adult education, adult education via broadcasting, vocational training services provided by institutions under authority delegated or financially supported by the government and other education services.

Korea reserves the right to adopt and maintain any measure related to the provision of a service in the territory of a Party by a person of that Party to a person of the other Party for primary and secondary school students.

Korea reserves the right to adopt or maintain any measure related to the establishment of primary and secondary education institutions, teachers' universities, school of education, universities via broadcasting and communications, cyber universities, all health and medical related higher education institutions, health and medical related adult education institutions, adult education institutions conferring or leading to degrees, adult education institutions via broadcasting, life-long education facilities

via information and technology, vocational training institutions with authority delegated or financially supported by government and other education institutions (excluding language education) by foreign nationals.

Korea reserves the right to adopt or maintain any measure related to natural persons who render education services including teachers and ancillary personnel providing educational services in primary education, secondary education, vocational and technical education, higher education, adult education and other education and training services

Existing Measure: Article 3 of *Private School Act*
Article 5 - 1 of *Presidential Regulations on Study Abroad*
Article 16 of *Higher Education Act*

Sector:	Electric energy
Sub-Sector:	Electric Power Generation other than Nuclear Power Generation Electric Power Transmission, Distribution & Sales Electric Work An Electrical Safety Management Agency Inspection of Electrical Facilities
Industry Classification:	CPC 17100 Electrical energy CPC 5164 Electrical work CPC 5165 Insulation work(electrical wiring, water, beat, sound) CPC 52243 Power lines CPC 87909 Other business services CPC 88700 Services incidental to energy distribution
Type of Reservation:	National Treatment, Local Presence, Market Access Performance Requirements, Senior Management and Board of Directors
Description:	<u>Cross-Border Trade in Services & investment</u> Korea reserves the right to adopt or maintain any measure with respect to privatization of the electric power industry including generation, transmission, distribution and sales. A foreign investor cannot own 40% or more of KEPCO's shares or stocks, or is banned from becoming the largest shareholder. Foreign investment in transmission, distribution and sales businesses is allowed only when the investment percentage is 50% or less. The largest shareholder must be a Korean citizen

Foreign investors are prohibited from operating a electric power business, including power generation, transmission, distribution and sales business.

Korea reserves the right to adopt or maintain any measure with respect to power transmission and distribution and sales from neighboring countries.

Foreigners are required to get capital, manpower, equipment, and etc, which are provided by the Electricity Business Act, if they hope to run Electrical Safety Management Agency.

Foreigners are not prohibited to do an Inspection of Electrical Facilities which are run by Korea Electrical Safety Corporation by the Electricity Business Act.

Law No. 7114, The Article 203 of *the Securities and Exchange Act,* Jan. 29, 2004
Presidential Decree No. 18146, The Article 87.2 of *its Enforcement Decree,* Nov. 29, 2003
Law No. 6656, Article 7, 73-5, 78 of *the Electricity business Act* . Feb . 4.2002
Law No. 7039, The Article 4, 5 of *the Foreign Investment Promotion Act,* Dec. 16, 1998
Presidential Decree No. 18222, The Article 5 of *its Enforcement Decree*, Jan. 13, 2004
Regulations No. 02-115, The Article 5 of *Regulations on Foreign Investment and Technology Inducement,* Nov. 26, 2002

Existing Measure:

Sector:	Environmental Services
Sub-sector:	Supply, Distribution and Management Services of Potable Water Wastewater Reclamation and Reuse Services Sewage Services (except industrial wastewater) Refuse Disposal Services (except industrial wastes) Sanitation and Similar Services Soil and Groundwater Contamination Reduction/Reclamation Services Nature and Landscape Protection Services (except environmental impact assessment services) New Environmental Services (except air quality monitoring/control, water quality monitoring, waste water (sewage) treatment, waste collection/disposal, noise vibration monitoring and abatement, environmental impact assessment)
Industry Classification:	CPC 18000 Natural Water CPC 71390 Transportation of other goods via pipeline (except petroleum and natural gas) CPC 94010* Sewage services CPC 94020* Refuse disposal services CPC 94030 Sanitation and similar services CPC 94060* Nature and landscape protection services CPC 94090* Other environmental protection services n.e.c.
Type of Reservation:	Market Access, National Treatment, Local Presence, Performance Requirements
Description:	<u>Cross-Border Trade in Services and Investment</u> Korea reserves the right to adopt or maintain any measure related to environmental services, set out in this sub-sector and industry classification.
Existing Measure:	-

CPC 94010* excludes collection and treatment services of industrial waste water

CPC 94020* excludes collection, transport and disposal services of industrial refuse

CPC 94060* & 94090* exclude environmental impact assessment services

Sector: Business Services

Sub-sector: Fishing-Related Activities

Industry Classification: CPC 882 Services Incidental to Fishing

Type of Reservation: National Treatment, Local Presence, Market Access, Performance Requirement, Senior Management and Board of Directors

Description: Cross-Border Trade in Services and Investment

Korea reserves the right to control the fishery activities of foreign nationals or foreign legal entities in the Exclusive Economic Zone of Korea.

The head of the local government(metropolitan city / province or city / country / district) shall consult with the Minister of Maritime Affairs and Fisheries in granting a license or permit for fishing to a foreign national or legal entity.

If a foreign national or foreign legal entity makes and investment in a corporation established pursuant to Acts of Korea or in a citizen of Korea for the purpose of running a fishing industry, and where the investment ratio in the relevant corporation or citizen is more than 50 percent, the head of the local government (metropolitan city / province or city / country / district) shall consult in advance with the Minister of Maritime Affairs and Fisheries.

If a State prohibits or restricts the acquisition or rights of fisheries within that State to a Korean citizen or a corporation or association established pursuant to relevant Korean laws, identical or similar prohibitions or restrictions may be imposed on the acquisition of fishing rights within

Korea.

A foreign national or legal entity may not conduct fishing activities in any zone set out by the Presidential Decree for the purpose of protecting fishery resources or regulating fisheries("special prohibited zones")

To conduct fishing activities in the Exclusive Economic Zone that is not designated as a "specific prohibited zone", a foreign national or legal entity is required to obtain authorization for each of its vessel from the Minister of Maritime Affairs and Fisheries. The Minister of Maritime Affairs and Fisheries examines whether the fisheries activities for which license is applied overrun the limit of the allowable catch determined by the Minister of Maritime Affairs and Fisheries under conditions as prescribed by the Ordinance of the Minister of Maritime Affairs and Fisheries.

When a foreigner intends to conduct the activities falling under any of following subparagraphs in the Exclusive Economic Zone for the purpose of experiment and research or educational practice or the other reasons as stipulated by the Ordinance of the Ministry of Maritime Affairs and Fisheries, approval by the Minister of Mariitme Affairs and Fisheries shall be obtained for each vessel under the conditions as prescribed by the Ordinance of the Ministry of Maritime Affairs and Fisheries.

(a) Capture and picking of marine animals and plants
(b) Search and gathering related with fisheries
(c) Keeping, storage and processing of the catch and its products; and
(d) Transporting of the catch and its products.

Existing Measure: *Law No. 5809* Articles 4, 5, 6, 8 of the *Act on the Exercise of Sovereign Rights on Foreigner's Fishing, Etc., Within the*

Exclusive Economic Zone, Feb. 5, 1999
Law No. 5977 Article 5 of the *Act on the Fisheries*, April 15, 1999

Sector:	Recreational, Cultural and Sporting Services
Sub-Sector:	Gambling and Betting
Industry Classification:	CPC 96520 Sports and Recreational Sports Facility Operation Services CPC 96492 Gambling and Betting Services
Type of Reservation:	National Treatment, Local Presence, Market Access Performance Requirements, Senior Management and Boards of Directors
Description:	Cross-Border Trade in Services & Investment

Korea reserves the right to adopt or maintain any measure with respect to gambling and betting.

Present measures, *inter alia*, are as follows.

Foreigners are prohibited from engaging in the casino business admitting any Korean into a casino in Korea

The Minister of Culture and Tourism shall place restrictions upon the casino business when it is deemed necessary for the public welfare, maintenance of order or sound development of the casino industry.

With the exception of the Seoul Olympic Sports Promotion Foundation and its entrusted business operators, all persons shall be prohibited from engaging in the business of issuing betting ballots or performing any similar acts.

For the Bicycle and Motorboat Racing business, with the exception of the Seoul Olympic Commemoration

National Health-Sports Promotion Corporation and local public corporations, no person or entity shall conduct racing or profit-making activities relating to the purchase, mediation, transfer etc. of tickets in which their purchasers indicate the possible winner. Also, no person or entity shall issue or sell tickets in which their purchasers indicate the possible winner (or any similar tickets), or give money to those persons who choose the winner correctly.

A person who operates a bullfighting facility with the permission of the Minister of Agriculture and Forestry is entitled exclusively to bullfighting operations (including pari-mutuel betting operations) in Korea.

The Korea Racing Association, exclusively, is entitled to horse racing operations (including pari-mutuel betting operations) in Korea.

Existing Measure:

Law No. 7186, The Article 11 of the *Special Act on the Assistance to the Development of Abandoned Mine Areas,* December. 29, 2000
Presidential Decree No. 18108, The Article 12,13,14,15,16 of the *Enforcement Decree of the Special Act to Revitalize Communities Near Closed Mines,* Sep. 29, 2003

Law No. 6841, Articles 20, 27 of the *Tourism Promotion Act*, Dec.30, 2002
Presidential Decree No. 18082*, Article 28 of its Enforcement Decree of Tourism Promotion Act,* Aug. 6, 2003

Law No. 7159, Articles 22.2, 22.3, 22.4 of the *National Sports Promotion Act,* Jan. 29, 2004
Presidential Decree No. 16918, Articles 42.8, 42.9, 42.10 of *its Enforcement Decree*, Jul. 27, 2000.

Law No. 7133, Articles 4, 16, 21 of the *Bicycle and Motorboat Racing Act,* Jan. 29, 2004
Presidential Decree No. 16681, Article 20 of *its Enforcement Decree,* Dec. 31, 1999

Law No. 6722 Article 7 and 9 of the *Traditional Bull Fight Law,* Aug. 26, 2002
Law No. 6572 Article 3 and 48 of the *Korea Racing Association Law*, Dec. 31, 2001

Sector:	Gas industry
Sub-Sector:	
Industry Classification:	CPC 12020 Natural gas, Liquefied or in the gaseous state CPC 52241 Long Distance Pipelines CPC 61300 Retail Sales of Motor Fuel(except oil products other than LPG) CPC 62271 Wholesale Trade Services of Solid, Liquid and Gaseous Fuels and Related Products CPC 63297 Retail Sales of Fuel Oil, Bottled Gas, Coal and Wood CPC 71122 Transportation of Bulk Liquids or Gases CPC 71232 Transportation of Bulk Liquids or Gases CPC 71310 Transportation of Petroleum and Natural Gas CPC 72222 Transportation of Bulk Liquids or Gases CPC 74220 Bulk Storage Services of Liquids or Gases CPC 88700 Services Incidental to Energy Distribution
Type of Reservation:	National Treatment, Local Presence, Market Access
Description:	<u>Cross-Border Trade in Services & investment</u> Korea reserves the right to adopt or maintain any measure concerning the gas industry. In the gas sector, KOGAS executes the public function such as import and wholesale of natural gas, operation of the national trunkline. Plan of privatization in gaseous sector, including gas transportation, import and whole sales, is yet to be finalized. The holding of KOGAS stocks is restricted to 15% for each individual foreigner, and 30% to all foreigners, so

that cross-border supply in that sector should be restricted likewise.

City gas companies supply natural gas to the end users, which is entrusted with public function.

Foreigners are required to get permission for their manufacturing, filling, storage or selling of high pressure gases if they hope to run high pressure gas manufacturing, filling, storage or selling business in Korea.

Foreigners are required to register their business for their manufacturing of high pressure gas cylinders, refrigerators or specified equipment if they hope to manufacture high pressure gas cylinders, refrigerators or specified equipment in Korea.

Those businesses, among foreign high pressure gas manufacturers, of which the storage capacity is more than the manufacturing capacity stipulated in the Ordinance of the Ministry of Commerce, Industry and Energy shall conduct safety assessment on their own facilities and submit the safety improvement report to the government office concerned.

Foreigners who hope to run high pressure gas business, liquefied petroleum gas business or city gas business in Korea shall designate a qualified safety operator in accordance with the high pressure gas safety control law, liquefied petroleum gas safety control and business law and city gas business law and shall report to the government office concerned in case of safety manager designation.

Foreigners who hope to install and use high pressure gas facility, liquefied petroleum gas facilities and city gas facilities in Korea shall have an inspection after the

completion of the facilities and shall have periodic inspection every 1 to 2 years.

Those facilities, among high pressure gas manufacturing facilities and city gas facilities, which have aged more than specified years(15) after installation shall get close examination or diagnosis from inspection organizations.

Those foreigners who hope to put high pressure gas cylinders, refrigerators or specified equipment in the Korean market shall get inspection in advance by the government office concerned, and those foreigners who continuously use these shall get periodic inspection for re-qualification.

Those foreigners who manufactured gas burners, gas appliances, etc. and hope to sell these in the Korean market shall get inspection in advance by the government office concerned.

Those foreigners who hope to use high pressure gas more than specified quantity shall report to the government office concerned for the use of such gas.

Those foreigners who hope to transport high pressure gas, liquefied petroleum gas or city gas in Korea shall comply with the High Pressure Gas Transportation Standard provided by the Ordinance of the Ministry of Commerce, Industry and Energy.

Foreigners designated as safety operators of high pressure gas facilities, liquefied petroleum gas facilities or city gas facilities shall take safety education stipulated in the High Pressure Gas Safety Control Law, Liquefied Petroleum Safety Control and Business Law and City Gas Business Law.

Foreigners who hope to install and use high pressure gas facilities, liquefied petroleum gas facilities or city gas facilities in Korea shall buy gas accident liability insurance stipulated in the High Pressure Gas Safety Control Law.

Foreigners who hope to conduct inspection or re-inspection of gas facilities and gas appliances shall have to be designated as inspection organization in accordance with the regulations in the High Pressure Gas Safety Control Law.

Korea reserves the right to adopt or maintain any measure with respect to gas transportation, import and whole sales.

Existing Measure:

Law No. 6863, The Article 19 of the *Act on Improvement of Management Structure and Privation of Public Corporation,* Nov 7, 2002

Law No. 6841, The Article 1 of the *Korea Gas Corporation Act,* Dec 30, 2002

Law No. 6676, Article 4, 5, 13-, 15, 20, 23 of the *High Pressure Gas Safety Control Law,* March 25, 2002

Law No. 6976, Article 3, 5, 14, 18, 20, 21, 31, 33 of the *High Pressure Gas Safety Control Law,* Sep 29, 2003

Law No. 6916, Article 1, 3, 11, 15, 16, 16-2, 16-3, 17, 17-2, 18-4, 22, 24, 25, 30, 35, 43 of the *City Gas Business Law,* May 27, 2003

The Article 11 of the *Articles of Incorporation of Korea Gas Corporation,* Mar 30, 2000

Law No. 6627, The Article 8 of the *Petroleum Business Act* Mar. 2, 2004

Sector: Minority Affairs

Sub-sector:

Industry Classification:

Type of Reservation: National Treatment, Local Presence
Performance Requirement
Senior Management and Boards of Directors

Description: Cross-Border Trade in Services and Investment

Korea reserves the right to adopt or maintain any measure according rights or preferences to socially or economically disadvantaged minorities.

Existing Measure:

Sector:	Nuclear industry
Sub-Sector:	Nuclear Power Generation Manufacturing and Supply of Nuclear Fuel Radioactive Waste Disposal Services Relating to Nuclear Service
Industry Classification:	CPC 13000 Uranium and Thorium Ores and Concentrates CPC 33710 Fuel Elements (cartridges), Non-Irradiated, for Nuclear Reactors CPC 33720 Spent(irradiated) Fuel Elements (cartridges) of Nuclear Reactors CPC 42310 Nuclear Reactors CPC 88450 Manufacture of Coke, Refined Petroleum Products and Nuclear Fuel, on a Fee or Contract Basis CPC 94090 Other Environmental Protection Service
Type of Reservation:	National Treatment, Local Presence, Market Access Senior management and board of directors
Description:	<u>Cross-Border Trade in Services and Investment</u> Korea reserves the right to adopt or maintain any measure related to nuclear industry. Foreign investors are prohibited from operating a nuclear power generation business - manufacturing and supply of nuclear fuel for nuclear power plants, business related to the operation of nuclear plants, and radio active waste management. Foreigners are prohibited from investing in nuclear power generation. The construction, operation, and quality test services related to nuclear energy shall be subject to the

authorization of the Minister of Science & Technology.

A foreign vessel equipped with a nuclear reactor shall notify, in advance, to the Minister of Science and Technology to gain access to Korean harbors.

Services related to nuclear energy may be subject to notification, registration, authorization, and supervision by the Minister of Science & Technology in regards to safety measures for such services.

Existing Measure:

Law No. 7018, Article 12 of the *Electricity Business Act,* Mar 11, 2004

Law No. 7039, Article 4 of the *Foreign Investment Promotion Act*

Presidential Decree No. 18222, Article 5 of *its Enforcement Decree,* Jan 13, 2004

Regulations No. 2002-115, Article 5 of *the Regulations on Foreign Investment and Technology Inducement,* Nov 26, 2002

Law No. 6873, Article 11, 21, 33, 34, 43, 57, 64, 76, 86, 90-4 of *the Atomic Energy Act*, May 15, 2003

Sector:	Business Services
Sub-sector:	Professional Services(Legal Services)
Industry Classification:	CPC 861 Legal Services (including arbitration and conciliations services under revised CPC approved by UN statistical committee in February 1997)
Type of Reservation:	National Treatment, Local Presence, Market Access Senior Management & Board of Directors
Description:	Cross-Border Trade in Services and Investment Korea reserves the right to adopt or maintain any measure with respect to legal services including those concerning ownership, partnership, nationality of executives and directors and the scope of services to be provided . Attorneys or judicial scriveners intending to provide legal services in Korea must be domestically licensed and registered under the Lawyers Act or Judicial Scriveners Act. Their offices must be established within the jurisdictional area of a district court in which they wish to practice. Notary publics shall be appointed by the Minister of Justice among those qualified under the Notary Public Act. They are required to establish offices within the district covered by a jurisdictional area of a district public prosecutors' office in which he or she wishes to practice.
Existing Measure:	*Law No. 6207* Article 4, 21, 34 and 109 of the *Lawyer Act,* Jan. 28, 2000 *Law No. 6860* Article 4, 7 and 14 of the *Judicial Scriveners Act,* Mar. 12, 2003 *Law No. 5590* Article 10, 11, 12, 16 and 17 of the *Notary Public Act*, Dec. 28, 1998

Sector: Social Services

Sub-sector:

Industry Classification: CPC 913 Compulsory Social Security Services
CPC 93 Health and Social Services

Type of Reservation: National Treatment, Local Presence, Market Access
Performance Requirement
Senior Management and Boards of Directors

Description: Cross-Border Trade in Services and Investment

Korea reserves the right to adopt or maintain any measure related to this sector, provided it is for public purpose.

A medical person who intends to provide medical services is required to establish a medical institution in the territory of Korea. For purposes thereof, the term "medical person" means doctor, dentist, herb doctor, midwife and nurse who have been licensed by the Minister of Health and Welfare.

Medical Services supplied from the territory of a Party into the territory of the other Party shall be allowed to between medical persons mentioned above and to the support of medical knowledge or techniques.

Medical corporation should be run in the form of non-profit corporation.

A medical person and a pharmacist can establish only one medical institution and one pharmacy, respectively.

Existing Measure: *Law No. 7148* Article 1, 2, *30,* 30 bis, 44 of the *Medical Service Act,* January 29, 2004

Presidential Decree No. 18084, Article 18 of the *Enforcement Decree of the Medical Services Act*, January 29, 2004

Law No. 7148 Article 19 of the *Pharmaceutical Affairs Act*, January 29, 2004

Sector:	Trade Services
Sub-sector:	Distribution Services Commission Agents' Services Wholesale Trade Services Retailing Services Franchising
Industry Classification:	
Type of Reservation:	National Treatment, Local Presence, Market Access Performance Requirement Senior Management and Boards of Directors
Description:	Cross-Border Trade in Services and Investment Korea reserves the right to adopt or maintain any measure affecting the supply of any products subject to import prohibition or import restriction. Korea reserves the right to modify and/or increase the list of products stipulated in the laws, regulations and other measures governing import prohibition or import restriction.
Existing Measure:	*Law No. 7009* Article 226 and 234 of the *Customs Act*, December 30, 2003

Sector: Transport Services

Sub-Sector : Land Transport Services and related auxiliary services

Industry Classification: CPC 711 Service using Railroads
CPC 712 Land Transport Services
CPC 74 Support and Other Auxiliary Services
CPC 8868 Maintenance and Repair of Rail Transport Equipment
CPC 83102 Leasing or rental services concerning good transport vehicles without operator

Type of Reservation: National Treatment, Local Presence, Market Access
Performance Requirement

Description: <u>Cross-Border Trade in Services and Investment</u>

Korea reserves the right to legislate (adopt) or maintain any measure relating to land transport (passengers/cargo) and transport support/auxiliary services.

Present measures, *inter alia*, are as follows:

< Road – Passenger >

- A person who intends to operate a road passenger transport service must obtain a license from mayor of the shi or governor of the do (head of local government) where the head office will be located. The license is issued based on the economic needs test among other criteria for licensing.

- Intra-city buses, rural buses, and taxi transport services are only permitted to operate within the jurisdiction of the license-issuing authority.

- Fares should be set in accordance with standards and the range of rates determined by the Minister of Construction and Transportation or mayor of shi or governor of do.

< Road -- Cargo >

- A person who intends to operate a trucking transport business must register with mayor of the shi or governor of the do (head of local government) where the head office will be located. If the service area is located outside of the jurisdiction of the registering office, an office must be established in that operating area.

< Rail – Passenger & Cargo >

- A person who intends to operate a rail transport service business must obtain license from the Minister of Construction and Transportation in accordance with relevant regulations.

- The licensing-decision is made based on review of standards that include the level of contributions to national industrial development, economic growth, etc.

- State-owned railroad transport service business shall be operated by the Korea National Railroad, which is organized under the Minister of Construction and Transportation.

- The implementation of rail construction project is limited to the national government, local autonomous governments and the Korea Rail Network Authority established under the Korea Rail Network Authority Act.

- The implementation of high-speed rail construction project is limited to the national government and the Korea Rail Network Authority established under the

Korea Rail Network Authority Act.

- Construction and maintenance & repair of rail related facilities (including for high-speed rail) is performed by a rail related facility maintenance authority. This authority is limited to the following persons:

  (a) Maintenance authority stipulated under Article 19 of the Framework Act on Rail Industry Promotion.
  (b) Korea Rail Network Authority established in accordance with Article 20 paragraph 3 of the Framework Act on Rail Industry Promotion.
  (c) Person bestowed with the rail related facility maintenance authority in accordance with Article 26 paragraph 1 of the Framework Act on Rail Industry Promotion.
  (d) Person delegated, entrusted, or bestowed authority to execute vicariously the authority bestowed upon any entity falling under each sub-paragraph a)~c) above.

< Road – Freight Forwarding >

- A person who intends to operate motor-freight forwarding service business shall establish an office and a place of business meeting the requirements set in the relevant regulations and shall register with the mayor of the shi or the governor of the do in accordance with standards and procedures prescribed by the relevant regulations.

< Rail – Freight Forwarding >

- A person who intends to operate rail freight forwarding business shall register with the administrator of the Korea National Railroad after securing the relevant facilities set by relevant regulations.

Existing Measure: Article 5 of the *Passenger Transport Service Act* (*Law No. 6942*, Jul. 25, 2003)

Article 3, 21 of the *Trucking Transport Business Act* (*Law No. 7100*, Jan. 20, 2004)

Article 5 of the *Railroad Act* (*Law No. 7052*, Dec. 31, 2003)
Article 3 of the *Licensing Regulation for Private and Exclusive-use Railroads* (Presidential Decree No. 17816, Dec. 26, 2002)
Article 6 of the *Special Act on the Operation of State-owned Railroads* (*Law No. 17194*, Apr. 9, 2001)
Article 2-3 of the *Public Rail Construction Promotion Act* (*Law No. 6956,* July 29, 2003)
Article 4 of the *High-speed Rail Construction Promotion Act* (*Law No. 6956*, July 29, 2003)
Articles 3, 19, 20, 21 of the *Framework Act for Rail Industry Promotion* (*Law No. 6956*, July 29, 2003)
Article 7 of the *Korea Rail Network Authority Act* (*Law No. 6956*, July 29, 2003)

Article 3 of the *Rail Freight Forwarding Business Act* (*Law No. 6364*, Jan. 16, 2001)

Sector: Transport Services

Sub-Sector : Transportation by non-sea-going vessels and transportation via space

Industry Classification: CPC 722 Transportation by Non-Sea-Going Vessels
CPC 733 Transportation Via Space

Type of Reservation: National Treatment, Local Presence, Market Access, Senior Management & Board of Directors

Description: Cross-Border Trade in Services and Investment

Korea reserves the right to adopt or maintain any measure relating to transportation by non-sea-going vessels and transportation via space.

Existing Measure:

Sector:	Transport Services
Sub-Sector :	Warehousing Business for Agricultural, Fishery and Livestock Products
Industry Classification:	CPC 742 Storage and Warehousing Services
Type of Reservation:	National Treatment, Market Access, Local Presence, Performance Requirement, Senior Management and Board of Directors
Description:	Cross-Border Trade in Services and Investment Korea reserves the right to adopt and maintain any measure with regard to grain management services
Existing Measure:	*Law No. 6836* Article of *Grain Management Act* Dec. 30, 2002

Sector: National Electronic System, including but not limited to Geographical Information System

Sub-Sector :

Industry Classification:

Type of Reservation: National Treatment, Local Presence, Market Access, Performance Requirements, Senior Management & Board of Directors

Description: Cross-Border Trade in Services and Investment

Korea reserves the right to adopt or maintain any measure relating to geographical information system and other value-added services through the use of this system..

Korea also reserves the right to adopt or maintain any measure affecting the administration and operation of any national electronic system which contains proprietary information of the government or information gathered pursuant to regulatory functions and powers. Such measures apply to any other national electronic systems that may be established in the future.

Existing Measure:

Section 3: Schedule of Singapore

Sector	All
Sub-Sector	-
Industry Classification	-
Type of Reservation	Market Access National Treatment Local Presence
Description of Reservation	Cross-Border Services Singapore reserves the right to adopt or maintain any measure with respect to the supply of a service by the presence of natural persons, or other movement of natural persons, including immigration, entry or temporary stay, subject to the provisions of the Chapter 12 (Temporary Entry of Business Persons).
Existing Measures	-

Sector	-
Sub-Sector	-
Industry Classification	-
Type of Reservation	National Treatment Market Access Local Presence Performance Requirements Senior Management and Boards of Directors
Description of Reservation	Cross-Border Services and Investment Singapore reserves the right to adopt and maintain any measure in relation to the divestment of the administrator and operator of airports.
Existing Measures	-

Sector	All
Sub-Sector	-
Industrial Classification	-
Type of Reservation	National Treatment Market Access Local Presence Performance Requirements Senior Management and Board of Directors
Description of Reservation	Cross-Border Services and Investment Singapore reserves the right to adopt or to maintain any measure in relation to the provision of health services by government owned or controlled healthcare institutions (including investments in those institutions), social security and public training.
Existing Measures	-

Sector	All
Sub-Sector	-
Industry Classification	-
Type of Reservation	Market Access National Treatment Local Presence Performance Requirements Senior Management and Boards of Directors
Description of Reservation	<u>Cross-Border Services and Investment</u> Singapore reserves the right to maintain or adopt any measure affecting: (a) the full or partial devolvement to the private sector of services provided in the exercise of governmental authority; (b) the divestment of its equity interests in, and/or the assets of, an enterprise that is wholly owned by the Singapore government; and (c) the divestment of its equity interests in, and/or the assets of, an enterprise that is partially owned by the Singapore government.
Existing Measures	-

Sector	Administration and operation of national electronic systems
Sub-Sector	-
Industry Classification	-
Type of Reservation	Market Access National Treatment Local Presence Performance Requirements Senior Management and Boards of Directors
Description of Reservation	Cross-Border Services and Investment Singapore reserves the right to maintain or adopt any measure affecting the administration and operation of any national electronic system which contains proprietary information of the government or information gathered pursuant to regulatory functions and powers. Such measures apply to existing national electronic systems like TradeNet and Marinet and any other national electronic systems that may be established in the future.
Existing Measures	-

Sector	Arms and explosives
Sub-Sector	-
Industry Classification	-
Type of Reservation	Market Access National Treatment Local Presence Performance Requirements Senior Management and Boards of Directors
Description of Reservation	<u>Cross-Border Services and Investment</u> Singapore reserves the right to maintain or adopt any measure affecting the arms and explosives sector. The manufacture, use, sale, storage, transport, importation, exportation and possession of arms and explosives are regulated for protection of vital security interests.
Existing Measures	*Arms and Explosives Act,* Cap. 13, Revised Edition 1985

Sector	Broadcasting Services Broadcasting services refers to the scheduling of a series of literary and artistic works by a content provider for aural and/or visual reception, and for which the content consumer has no choice over the scheduling of the series.
Sub-Sector	-
Industry Classification	-
Type of Reservation	Market Access National Treatment Local Presence Performance Requirements Senior Management and Boards of Directors
Description of Reservation	<u>Cross-Border Services and Investment</u> Singapore reserves the right to maintain or adopt any measure affecting broadcasting services receivable by Singapore's domestic audience, to international broadcasting services originating from Singapore, and to the allocation of spectrum in relation to broadcasting services. This reservation does not apply to the sole activity of transmitting licensed broadcasting services to a final consumer.
Existing Measures	-

Sector	Business Services
Sub-Sector	Credit Reporting Services
Industry Classification	-
Type of Reservation	Market Access National Treatment Local Presence Performance Requirements Senior Management and Boards of Directors
Description of Reservation	Cross-Border Services and Investment Singapore reserves the right to adopt or maintain any measure affecting the supply of credit reporting services.
Existing Measures	-

Sector	Business Services
Sub-Sector	Real Estate Services (does not apply to real estate consultancy services, real estate agency services, real estate auction services and real estate valuation services)
Industry Classification	CPC 82 Real Estate Services (does not apply to residential and non-residential property management services on a fee or contract basis, real estate consultancy services, real estate agency services, real estate auction services and real estate valuation services)
Type of Reservation	Market Access National Treatment Local Presence Performance Requirements Senior Management and Boards of Directors
Description of Reservation	Singapore reserves the right to maintain or adopt any measure affecting real estate services. This includes, but is not limited to, measures affecting the ownership, sale, purchase, development and management of real estate. This reservation does not apply to residential and non-residential property management services on a fee or contract basis, real estate consultancy services, real estate agency services, real estate auction services and real estate valuation services.

Existing Measures	*Residential Property Act*, Cap. 274, 1985 Revised Edition *State Lands Act*, Cap. 314, 1996 Revised Edition *Housing and Development Act*, Cap. 129, 1997 Revised Edition *Jurong Town Corporation Act*, Cap. 150, 1998 Revised Edition *Executive Condominium Housing Scheme Act*, Cap. 99A, 1997 Revised Edition

Sector	Business services
Sub-Sector	Armed Escort Services and armoured car services Armed Guard Services
Industry Classification	CPC 87305 Guard Services
Type of Reservation	Market Access National Treatment Local Presence Performance Requirements Senior Management and Boards of Directors
Description of Reservation	Cross-Border Services and Investment Singapore reserves the right to maintain or adopt any measure affecting the provision of armed escort, armoured car and armed guard services.
Existing Measures	*Part IX of the Police Force ct,* Cap. 235, 1985 Revised Edition.

Sector	Business services
Sub-Sector	Betting and Gambling Services
Industry Classification	-
Type of Reservation	Market Access National Treatment Local Presence Performance Requirements Senior Management and Boards of Directors
Description of Reservation	Cross-Border Services and Investment Singapore reserves the right to maintain or adopt any measure affecting the supply of betting and gambling services.
Existing Measures	*Betting Act*, Cap. 21, 1985 Revised Edition Common Gaming Houses Act, Cap. 49, 1985 Revised Edition *Private Lotteries Act* Cap 250

Sector	Business - Professional Services (Legal Services)
Sub-Sector	-
Industry Classification	-
Type of Reservation	Market Access National Treatment Local Presence Performance Requirements Senior Management and Boards of Directors
Description of Reservation	Cross-Border Services and Investment Singapore reserves the right to maintain or adopt any measure affecting the supply of legal services in Singapore.
Existing Measures	-

Sector	Community, Personal and Social Services
Sub-Sector	Services furnished by trade unions
Industry Classification	CPC 952 Services furnished by trade unions
Type of Reservation	Market Access National Treatment Local Presence Performance Requirements Senior Management and Boards of Directors
Description of Reservation	Cross-Border Services and Investment Singapore reserves the right to maintain or adopt any measure affecting services provided by trade unions.
Existing Measures	*Trade Unions Act*, Cap. 333, 1985 Revised Edition

Sector	Defence
Sub-Sector	-
Industry Classification	-
Type of Reservation	National Treatment
Description of Reservation	Investment Singapore reserves the right to adopt or maintain any measure in relation to the retention of a controlling interest by the Singapore Government in Singapore Technologies Engineering (the Company) and/or its successor body, including but not limited to controls over the appointment and termination of members of the Board of Directors, divestment of equity and dissolution of the Company for the purpose of safeguarding the security interest of Singapore.
Existing Measures	-

Sector	Distribution, publishing and printing of newspapers Newspapers means any physical publication containing news, intelligence, reports of occurrences, or any remarks, observations or comments relating thereto or to any matter of public interest, printed in any language and published for sale or free distribution at intervals not exceeding one week.
Sub-Sector	-
Industry Classification	-
Type of Reservation	Market Access National Treatment Local Presence Performance Requirements Senior Management and Boards of Directors
Description of Reservation	<u>Cross-Border Services and Investment</u> Singapore reserves the right to maintain or adopt any measure affecting the publishing or printing of newspapers, including but not limited to, shareholding limits and management control. The distribution of any newspaper, whether published outside of Singapore or in Singapore, shall be subject to the laws of Singapore.
Existing Measures	Newspaper and Printing Presses Act, Cap 206. 1991 Revised Edition

Sector	Trade Services
Sub-Sector	Distribution Services Commission Agents' Services Wholesale Trade Services Retailing Services Franchising
Industry Classification	-
Type of Reservation	Market Access National Treatment Local Presence Performance Requirements Senior Management and Boards of Directors
Description of Reservation	<u>Cross-Border Services and Investment</u> Singapore reserves the right to maintain or adopt any measure affecting the supply of any products subject to import prohibition or non-automatic import licensing. Singapore reserves the right to modify and/or increase the list of products stipulated in the laws, regulations and other measures governing Singapore's import prohibition or non-automatic import licensing regime.
Existing Measures	-

Sector	Educational Services
Sub-Sector	Primary Education Services Secondary Education Services
Industry Classification	CPC 921 Primary Education Services CPC 92210 General Secondary Education Services CPC 92220 Higher Secondary Education Services (only applies to Junior colleges and pre-university centres under the Singapore educational system)
Type of Reservation	Market Access National Treatment Local Presence Performance Requirements Senior Management and Boards of Directors
Description of Reservation	<u>Cross-Border Services and Investment</u> Singapore reserves the right to maintain or adopt any measure affecting the supply of primary, general secondary and higher secondary (only applies to junior colleges and pre-university centres under the Singapore educational system) education services for Singapore citizens.
Existing Measures	*Education Act*, Cap. 87, 1985 Revised Edition Administrative Guidelines

Sector	Health and Social Services
Sub-Sector	Medical Services Pharmacy Services
Industry Classification	CPC 9312 Medical Services -
Type of Reservation	Market Access
Description of Reservation	Cross–Border Services Singapore reserves the right to adopt or maintain any limits on the number of doctors and pharmacists who can practice in Singapore.
Existing Measures	-

Sector	Health and Social Services
Sub-Sector	Services provided by health-related professionals
Industrial Classification	-
Type of Reservation	National Treatment
Description of Reservation	Cross-Border Services and Investment Singapore reserves the right to adopt or to maintain any measure in relation to the recognition of educational and professional qualifications for the purposes of admission, registration and qualification of health related professionals such as contact lens practitioners, dentists, doctors, nurses, midwives and traditional chinese medicine practitioners.
Existing Measures	*Contact Lens Practitioner Act,* Cap 53A *Dentists Act*, Cap. 76 *Medical Registration Act*, Cap. 174 *Nurses and Midwives Act*, Cap 209 *Pharmacists Registration Act*, Cap. 230 *Traditional Chinese Medicine Practitioners Act,* Act 34 of 2000

Sector	Sewage and refuse disposal, sanitation and other environmental Protection services
Sub-Sector	Waste Water Management, including but not limited to collection, disposal and treatment of solid waste and waste water.
Industry Classification	CPC 9401 Sewerage Services
Type of Reservation	Market Access National Treatment Local Presence Performance Requirements Senior Management and Boards of Directors
Description of Reservation	Cross-Border Services and Investment Singapore reserves the right to maintain or adopt any measure affecting waste water management, including but not limited to the collection, treatment and disposal of waste water**.**
Existing Measures	*Code of Practice on Sewerage and Sanitary Works* *Sewerage and Drainage Act,* Cap. 294, 2001 Revised Edition

Sector	Health and Social Services
Sub-Sector	Social Services
Industry Classification	CPC 933 Social Services
Type of Reservation	Market Access National Treatment Local Presence Performance Requirements Senior Management and Boards of Directors
Description of Reservation	Cross-Border Services and Investment Singapore reserves the right to maintain or adopt any measure affecting the supply of social services.
Existing Measures	-

Sector	Post and Telecommunications Services
Sub-Sector	Postal Services
Industry Classification	-
Type of Reservation	Market Access National Treatment Local Presence Performance Requirements
Source of Measure	Postal Services Act, Cap. 237A
Description of Reservation	<u>Cross-Border Services and Investment</u> Singapore reserves the right to maintain or adopt any measures regarding postal services, including Singapore Post Pte. Ltd.'s exclusive rights to convey letters and postcards and perform all incidental services of receiving, collecting, sending, dispatching, and delivering of letters and postcards.
Existing Measures	-

Sector	Post and Telecommunications Services
Sub-Sector	Postal Services – Express Letters Courier Services
Industry Classification	-
Type of Reservation	Market Access National Treatment Local Presence Performance Requirements Senior Management and Boards of Directors
Description of Reservation	<u>Cross-Border Services and Investment</u> Singapore reserves the right to maintain or adopt any measure that accords treatment to persons of the other Party equivalent to any measure adopted or maintained by the other Party affecting the supply of express letter and courier services.
Existing Measures	*Postal Services Act*, Cap. 237A

Sector	Telecommunications Services
Sub-Sector	Telecommunications Services
Industry Classification	-
Type of Reservation	Market Access National Treatment
Description of Reservation	Cross-Border Services and Investment Singapore reserves the right to restrict foreign ownership in facilities-based basic telecommunication services up to the same foreign ownership limit that Korea sets to its facilities-based basic telecommunication services in its Reservation for Existing Measures.
Existing Measures	-

Sector	Trade services
Sub-Sector	Supply of potable water for human consumption
Industry Classification	CPC 18000 Natural Water The sectors listed above apply only insofar as they relate to the supply of potable water.
Type of Reservation	Market Access National Treatment Local Presence Performance Requirements Senior Management and Boards of Directors
Description of Reservation	Cross-Border Services and Investment Singapore reserves the right to maintain or adopt any measure affecting the supply of potable water.
Existing Measures	*Public Utilities Act*, Cap. 261, 1996 Revised Edition *Public Utilities Act 2001*, Act 8 of 2001

Sector	Transport services
Sub-Sector	Air Transport Services – Computer Reservation Systems
Industry Classification	-
Type of Reservation	Market Access National Treatment Local Presence Performance Requirements Senior Management and Boards of Directors
Description of Reservation	Cross-Border Services and Investment Singapore reserves the right to adopt or maintain any measure affecting the supply of computer reservation systems.
Existing Measures	-

Sector	Transport Services
Sub-Sector	Land Transport Services – Public Transport Services, including but not limited to Passenger Transportation services by Railway, Urban and Suburban Regular Transportation Services, Taxi Services; Bus and Rail Station Services and Ticketing Services related to public transport services Public Transport Services are services which are used by and accessible to members of the public for the purposes of transporting themselves within Singapore.
Industry Classification	-
Type of Reservation	Market Access National Treatment Local Presence Performance Requirements Senior Management and Boards of Directors
Description of Reservation	<u>Cross-Border Services and Investment</u> Singapore reserves the right to maintain or adopt any measure affecting the supply of public transport services. Public transport services are services which are used by and accessible to members of the public for the purposes of transporting themselves within Singapore.
Existing Measures	*Rapid Transit Systems Act,* Cap. 263A *Land Transport Authority of Singapore Act*, Cap. 158A, 1996 Revised Edition *Public Transport Council Act*, Cap. 259B, 2000 Revised Edition

Sector	Transport Services
Sub-Sector	Land Transport Services – Rail Freight transportation. Supporting services for rail transport services.
Industry Classification	-
Type of Reservation	Market Access National Treatment Local Presence Performance Requirements Senior Management and Boards of Directors
Description of Reservation	Cross-Border Services and Investment Singapore reserves the right to maintain or adopt any measure affecting the supply of land transport services as set out above.
Existing Measures	-

Sector	Transport services
Sub-Sector	Land Transport Services Services Auxiliary to All Modes of Transport
Industry Classification	CPC 742 Storage and warehousing services CPC 748 Freight transport agency services (does not apply to freight forwarding by air) CPC 749 Other supporting and auxiliary transport services
Type of Reservation	Market Access National Treatment Local Presence Performance Requirements Senior Management and Boards of Directors
Description of Reservation	<u>Cross-Border Services and Investment</u> Singapore reserves the right to adopt or maintain any measure that accords treatment to persons of the other Party equivalent to any measure adopted or maintained by the other Party in relation to the provision of storage and warehousing, freight forwarding (excluding freight forwarding by air), inland trucking, container station, and depot services by persons of Singapore.
Existing Measures	-

Sector	Transport Services
Sub-Sector	Maritime Transport Services – Towing and tug assistance; provisioning, fuelling and watering; garbage collection and ballast waste disposal; port captain's services; navigation aids; emergency repair facilities; anchorage; and other shore-based operational services essential to ship operations, including communications, water and electrical supplies.
Industry Classification	-
Type of Reservation	Market Access National Treatment Local Presence Performance Requirements Senior Management and Boards of Directors
Description of Reservation	<u>Cross-Border Services and Investment</u> Singapore reserves the right to maintain or adopt any measure affecting the supply of towing and tug assistance; provisioning, fuelling and watering; garbage collection and ballast waste disposal; port captain's services; navigation aids; emergency repair facilities; anchorage; and other shore-based operational services essential to ship operations, including communications, water and electrical supplies.
Existing Measures	*MPA Act Cap 170A*, Section 41 (part VIII)

ANNEX 9C : ADDITIONAL COMMITMENTS TO CHAPTER 9 (CROSS-BORDER TRADE IN SERVICES)

NOTE ON COMMITMENTS FOR MARITIME SERVICES

Where the following services are not otherwise covered by the obligations enshrined in paragraph 1 (c) of Article 9.2, each Party shall make such services available to international maritime transport operators of the other Party on reasonable and non-discriminatory terms and conditions:[1]

(a) pilotage;
(b) towing and tug assistance;
(c) provisioning, fuelling and watering;
(d) garbage collection and ballast waste disposal;
(e) port captain's services
(f) navigation aids;
(g) emergency repair facilities;
(h) anchorage; and
(i) other shore-based operational services essential to ship operations, including communications, water and electrical supplies.

[1]The following services are as identified in accordance with the WTO Negotiating Group on Maritime Transport Services.

ANNEX 9D: PROFESSIONAL SERVICES

1. The objective of this Annex is the establishment of rules to be followed by the Parties in the reduction and gradual elimination, within their territories, of the barriers in the rendering of professional services.

Development of Professional Standards

2. The Parties shall encourage the relevant bodies in their respective territories to develop mutually acceptable standards and criteria for licensing and certification of professional service providers and to provide recommendations on mutual recognition when the Parties meet for a review under Article 22.1.

3. The standards and criteria referred to in paragraph 2 may be developed with regard to the following matters:

(a) education - accreditation of schools or academic programs;
(b) examinations - qualifying examinations for licensing, including alternative methods of assessment such as oral examinations and interviews;
(c) experience - length and nature of experience required for licensing;
(d) conduct and ethics - standards of professional conduct and the nature of disciplinary action for non-conformity with those standards;
(e) professional development and re-certification - continuing education and ongoing requirements to maintain professional certification;
(f) scope of practice - extent of, or limitations on, permissible activities;
(g) local knowledge - requirements for knowledge of such matters as local laws, regulations, language, geography or climate; and
(h) consumer protection - alternatives to residency requirements, including bonding, professional liability insurance and client restitution funds, to provide for the protection of consumers.

4. Upon receipt of a recommendation referred to in paragraph 2, the Parties meeting at the review under Article 22.1 shall review the recommendation within a reasonable time to determine whether it is consistent with this Agreement. Based on the review, each Party shall encourage its respective competent authorities, where appropriate, to implement the recommendation within a mutually agreed time.

Temporary Licensing

5. Where the Parties agree, each Party shall encourage the relevant bodies in its territory to develop procedures for the temporary licensing of professional service providers of the other Party.

Recognition of Professional engineers

6. To facilitate access of professional engineers to business opportunity in the territory of the other Party, both Parties agree to widen the scope of recognized universities for professional engineers, as follows:

(a) Korea will recognise 2 Singapore universities.
(b) Singapore will recognise 20 Korean universities.

7. Based on mutual trust and agreement on common benchmarks, each Party will select the qualified universities and their specific qualified programs and notify them to the other Party.

8. Both Parties will enter into negotiations on mutual recognition of professional engineers with a view to achieving mutually beneficial outcomes.

9. Both Parties will designate the relevant Ministries or Government Agencies in charge of registration or licensing of professional engineers to continue consultations on the mutual recognition of professional engineers.

10. Notwithstanding Article 9.2, the recognition above shall apply for any purpose of professional requirement for professional engineers under this Agreement.

Review

11. `Pursuant to the Article 22.1, the Parties shall periodically review the implementation of this Annex.

[Date]

Mr. Han-soo Kim
Director General
Free Trade Agreement Bureau
Ministry of Foreign Affairs and Trade
Republic of Korea

Dear Mr. Kim:

I have the honour to refer to the Free Trade Agreement between the government of the Republic of Korea and the government of the Republic of Singapore ("the Agreement") signed at [place] on [date].

Resulting from the above Agreement, I have the honour of confirming the understanding of both Parties in relation to Chapter 9 (Cross-border Trade in Services) of the Agreement, that at the first review meeting of the Agreement provided under Article 22.1, the two Parties shall discuss the applicability of Article 9.5 of the Agreement to measures by a Party affecting the supply of a service in its territory by investors of the other Party or investment of investors of the other Party.

It was also the understanding of both Parties that the terms "investors of the other Party" and "investments of investors of the other Party" are to be interpreted in accordance with the definitions in Article 9.1 of the Agreement.

I would be grateful if you would confirm that the understanding of my Government as stated above is shared by your Government and that this understanding shall be treated as an integral part of the Agreement.

Sincerely,

_____

[Name of Singapore's Representative]
[Title]

duly , 2005

H.E. LIM Hng Kiang
Minister for Trade and Industry
Republic of Singapore

Dear H.E. LIM Hng Kiang

I have the honour to acknowledge the receipt of your letter dated [Date], which reads as follows:

"I have the honour to refer to the Free Trade Agreement between the government of the Republic of Korea and the government of the Republic of Singapore ("the Agreement") signed in Seoul on August 4th, 2005

Resulting from the above Agreement, I have the honour of confirming the understanding of both Parties in relation to Chapter 9 (Cross-border Trade in Services) of the Agreement, that at the first review meeting of the Agreement provided under Article 22.1, the two Parties shall discuss the applicability of Article 9.5 of the Agreement to measures by a Party affecting the supply of a service in its territory by investors of the other Party or investment of investors of the other Party.

It was also the understanding of both Parties that the terms "investors of the other Party" and "investments of investors of the other Party" are to be interpreted in accordance with the definitions in Article 9.1 of the Agreement.

I would be grateful if you would confirm that the understanding of my Government as stated above is shared by your Government and that this understanding shall be treated as an integral part of the Agreement."

I have the honour of confirming that the above understanding is shared by my Government and shall constitute an integral part of the Agreement.

Sincerely,
Mr. Han-soo Kim
Director General
Free Trade Agreement Bureau

Ministry of Foreign Affairs and Trade
Republic of Korea

CHAPTER 10
INVESTMENT

SECTION A – DEFINITIONS

ARTICLE 10.1: DEFINITIONS

For the purposes of this Chapter:

disputing investor means an investor that makes a claim under Section C;

disputing Party means a Party against which a claim is made under Section C;

freely usable currency means "freely usable currency" as determined by the International Monetary Fund under its Articles of Agreement and any amendments thereto;

investment means every kind of asset that an investor owns or controls, directly or indirectly, and that has the characteristics of an investment, such as the commitment of capital or other resources, the expectation of gains or profits or the assumption of risk[10-1]. Forms that an investment may take include, but are not limited to[10-2]:

[10-1] For clarification, **investment** does not mean,

(a) claims to money that arise solely from:

(i) commercial contracts for the sale of goods or services by a national or enterprise in the territory of a Party to an enterprise in the territory of the other Party,

(ii) the extension of credit in connection with a commercial transaction, such as trade financing, and

(b) an order entered in a judicial or administrative action

and do not involve the kinds of interests set out in subparagraphs (a) to (h).

[10-2] For the purpose of this Chapter, "loans and other debt instruments" described in paragraph (c) and "claims to money and claims to any performance under contract" described in paragraph (f) of Article 10.1 refer to assets which relate to a business activity and do not refer to assets which are of a personal nature, unrelated to any business activity.

(a) an enterprise;
(b) shares, stocks, and other forms of equity participation in an enterprise, including rights derived therefrom;
(c) bonds, debentures, loans and other debt instruments of an enterprise, including rights derived therefrom;
(d) futures, options, and other derivatives;
(e) rights under contracts, including turnkey, construction, management, production, concession or revenue-sharing contracts;
(f) claims to money and claims to any performance under contract having an economic value;
(g) intellectual property rights and goodwill;
(h) rights conferred pursuant to domestic laws and regulations or contracts such as concessions, licences, authorisations and permits; and
(i) other tangible or intangible, movable or immovable property, and related property rights, such as leases, mortgages, liens and pledges.

investment of an investor of a Party means an investment owned or controlled, directly or indirectly, by an investor of such a Party;

investor of a Party means a Party or a national or an enterprise of a Party that is seeking to make, is making, or has made, investments in the territory of the other Party;

investor of a non-Party means an investor other than an investor of a Party;

transfers means transfers and international payments;

TRIMs Agreement means the Agreement on Trade-Related Investment Measures, which is part of the WTO Agreement; and

UNCITRAL Arbitration Rules means the arbitration rules of the United Nations Commission on International Trade Law, approved by the United Nations General Assembly on December 15, 1976.

SECTION B - INVESTMENT

ARTICLE 10.2: SCOPE AND COVERAGE

1. This Chapter applies to measures adopted or maintained by a Party relating to:

   (a) investors of the other Party;
   (b) investments of investors of the other Party in the territory of a Party; and
   (c) with respect to Articles 10.7[10-3] and 10.18, all the investments in the territory of the Party.

2. This Chapter applies to the existing investments at the date of the entry into force of this Agreement, as well as to the investments made or acquired after this date.

3. For the purposes of this Chapter, measures adopted or maintained by a Party mean measures adopted or maintained by central or local governments and authorities or by non-governmental bodies in the exercise of any regulatory, administrative or other governmental authority delegated by central or local governments and authorities.

4. This Chapter does not apply to claims arising out of events which occurred, or claims which had been raised, prior to the entry into force of this Agreement.

5. This Chapter does not apply to services supplied in the exercise of governmental authority (such as law enforcement, correctional services, income security or insurance, social security[10-4] or insurance, social welfare, public education, public training, health, and child care), provided that such services are supplied neither on a commercial basis, nor in competition with one or more service suppliers.

ARTICLE 10.3: RELATION TO OTHER CHAPTERS

[10-3] This provision will be applied only when the investment of the investor of the Party suffers loss through the imposition of performance requirements to an investment of investor of a non-Party .

[10-4] For the purpose of Article 10.11, both Parties agree that social security, public retirement or compulsory savings schemes run by the government, such as the Central Provident Fund of Singapore, fall within the scope of "services supplied in the exercise of governmental authority".

1. In the event of any inconsistency between this Chapter and another Chapter in this Agreement, the other Chapter shall prevail to the extent of the inconsistency.

2. The requirement by a Party that a service provider of the other Party post a bond or other form of financial security as a condition of providing a service into its territory does not of itself make this Chapter applicable to the provision of that cross-border service. This Chapter applies to that Party's treatment of the posted bond or financial security.

3. This Chapter does not apply to measures adopted or maintained by a Party to the extent that they are covered by Chapter 12 (Financial Services) unless specified otherwise therein.

ARTICLE 10.4: NATIONAL TREATMENT

1. Each Party shall accord to investors of the other Party treatment no less favourable than that it accords, in like circumstances, to its own investors with respect to the establishment, acquisition, expansion, management, conduct, operation, and sale or other disposition of investments in its territory.

2. Each Party shall accord to investments of investors of the other Party treatment no less favourable than that it accords, in like circumstances, to investments in its territory of its own investors with respect to the establishment, acquisition, expansion, management, conduct, operation, and sale or other disposition of investments.

3. The treatment to be accorded by a Party under paragraphs 1 and 2 means, with respect to a local government, treatment no less favourable than the most favourable treatment accorded, in like circumstances, by that local government to investors, and to investments of investors, of the Party of which it forms a part, including itself.

ARTICLE 10.5: MINIMUM STANDARD OF TREATMENT

1. Each Party shall accord to investments of investors of the other Party treatment in accordance with the customary international law minimum standard of treatment, including fair and equitable treatment and full protection and security.

2. The concepts of “fair and equitable treatment” and “full protection and security” in paragraph 1 do not require treatment in addition to or beyond that which is required by the customary international law minimum standard of treatment of aliens and do not create additional substantive rights.

(a) The obligation to provide "fair and equitable treatment" includes the obligation not to deny justice in criminal, civil or administrative adjudicatory proceedings.
(b) The obligation to provide "full protection and security" requires each Party to provide the level of police protection required under customary international law.
(c) The "customary international law minimum standard of treatment of aliens" refers to all customary international law principles that protect the economic rights and interests of aliens.

3. A determination that there has been a breach of another provision of this Agreement, or of a separate international agreement, does not establish that there has been a breach of this Article.

ARTICLE 10.6: ACCESS TO THE JUDICIAL AND ADMINISTRATIVE PROCEDURES

Each Party shall within its territory accord to investors of the other Party treatment no less favourable than the treatment which it accords in like circumstances to its own investors, with respect to access to its courts of justice and administrative tribunals and agencies in all degrees of jurisdiction both in pursuit and in defence of such investors’ rights.

ARTICLE 10.7: PERFORMANCE REQUIREMENTS

1. Neither Party may impose or enforce any of the following requirements, or enforce any commitment or undertaking, in connection with the establishment, acquisition, expansion, management, conduct, operation, or sale or other disposition of an investment of an investor of a Party or of a non-Party in its territory:

(a) to export a given level or percentage of goods or services;
(b) to achieve a given level or percentage of domestic content;
(c) to purchase, use or accord a preference to goods produced in its territory, or to purchase goods from persons in its territory;
(d) to purchase, use or accord a preference to services provided in its territory, or to purchase services from persons in its territory;
(e) to relate the volume or value of imports to the volume or value of exports or to the amount of foreign exchange inflows associated with such investment;
(f) to restrict sales of goods or services in its territory that such investment produces or provides by relating such sales to the volume or value of its exports or foreign exchange earnings;
(g) to transfer technology, a production process or other proprietary knowledge to a person in its territory, except when the requirement is imposed or the commitment or undertaking is enforced by a court, administrative tribunal or competition authority to remedy an alleged violation of competition law or to act in a manner not inconsistent with other provisions of this Agreement; or
(h) to supply exclusively from the territory of the Party the goods that it produces or the services that it supplies to a specific regional market or to the world market.

2. The provisions of paragraph 1 do not preclude either Party from conditioning the receipt or continued receipt of an advantage, in connection with investment and business activities in its territory of an investor of the other Party or of a non-Party, on compliance with any of the requirements set forth in paragraphs 1 (d), (g) and (h).

3. Nothing in paragraph 1 shall be construed to prevent a Party from conditioning the receipt or continued receipt of an advantage, in connection with an investment in its territory of an investor of a Party or of a non-Party, on compliance with a requirement to locate production, provide a service, train or employ workers, construct or expand particular facilities, or carry out research and development, in its territory.

4. Provided that such measures are not applied in an arbitrary or unjustifiable manner, or do not constitute a disguised restriction on international trade or investment, nothing in paragraphs 1(b), (c) or (d) shall be construed to prevent a Party from adopting or maintaining measures, including environmental measures:

(a) necessary to secure compliance with laws and regulations that are not inconsistent with the provisions of this Agreement;
(b) necessary to protect human, animal or plant life or health; or
(c) necessary for the conservation of living or non-living exhaustible natural resources.

5. Nothing in this Article shall be construed so as to derogate from the rights and obligations of the Parties under the TRIMs Agreement.

6. This Article does not preclude the application of any commitment, obligation or requirement between private parties, where a Party did not impose or require such commitment, undertaking or requirement.

ARTICLE 10.8: SENIOR MANAGEMENT AND BOARDS OF DIRECTORS

1. Neither Party may require that an enterprise of that Party that is an investment of an investor of the other Party appoint to senior management positions individuals of any particular nationality.

2. A Party may require that a majority of the board of directors, or any committee thereof, of an enterprise of that Party that is an investment of an investor of the other Party, be of a particular nationality, or resident in the territory of the Party, provided that the requirement does not materially impair the ability of the investor to exercise control over its investment.

ARTICLE 10.9: NON-CONFORMING MEASURES

1. Articles 10.4, 10.7, and 10.8 shall not apply to:

(a) any existing non-conforming measure that is maintained by a Party as set out in its Schedule to Annex 9A;

(b) the continuation or prompt renewal of any non-conforming measure referred to in paragraph (a); or

(c) an amendment to any non-conforming measure referred to in paragraph (a) to the extent that the amendment does not decrease the conformity of the measure, as it existed immediately before the amendment, with Articles 10.4, 10.7, and 10.8.

2. Articles 10.4, 10.7 and 10.8 shall not apply to any measure that a Party adopts or maintains with respect to sectors, sub-sectors or activities, as set out in its Schedule to Annex 9B.

3. Neither Party shall, under any measure adopted after the date of entry into force of this Agreement and covered by its Schedule to Annex 9B, require an investor of the other Party, by reason of its nationality, to sell or otherwise dispose of an investment existing at the time the measure becomes effective.

4. Articles 10.4 and 10.8 shall not apply to:

(a) government procurement by a Party; or
(b) subsidies or grants provided by a Party, or to any conditions attached to the receipt or continued receipt of such subsidies or grants, whether or not such subsidies or grants are offered exclusively to investors of the Party or investments of investors of the Party, including government-supported loans, guarantees and insurance.

5. Nothing in this Chapter shall be construed so as to derogate from rights and obligations under international agreements in respect of protection of intellectual property rights to which both Parties are party, including the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights and other treaties concluded under the auspices of the World Intellectual Property Organization.

ARTICLE 10.10: FUTURE LIBERALISATION

1. If a Party makes any further liberalisation of the remaining restrictions scheduled in conformity with Article 10.9 by an agreement with a non-Party, it shall afford adequate opportunity to the other Party to negotiate treatment granted therein on a mutually advantageous basis and with a view to securing an overall balance of rights and obligations.

2. Through the review mechanism pursuant to Article 22.1, the Parties will engage in further liberalisation with a view to reaching the reduction or elimination of the remaining restrictions scheduled in conformity with paragraphs 1 and 2 of Article 10.9 on a mutually advantageous basis and securing an overall balance of rights and obligations.

ARTICLE 10.11: TRANSFERS

1. Each Party shall permit all transfers relating to an investment of an investor of the other Party to be made freely and without delay into and out of its territory. Such transfers include:

(a) the initial capital and additional amounts to maintain or increase an investment;
(b) profits, dividends, interest, capital gains, royalty payments, management fees, technical assistance and other fees, returns in kind and other amounts derived from the investment;
(c) proceeds from the sale of all or any part of the investment or from the partial or complete liquidation of the investment;
(d) payments made under a contract entered into by the investor, or its investment, including payments made pursuant to a loan agreement;
(e) payments made pursuant to Articles 10.13 and 10.14; and
(f) payments arising under Section C.

2. Each Party shall permit transfers prescribed in paragraph 1 to be made in a freely usable currency at the market rate of exchange prevailing at the time of transfer.

3. Notwithstanding paragraphs 1 and 2, a Party may prevent a transfer through the equitable, non-discriminatory and good faith application of its laws relating to:

(a) bankruptcy, insolvency or the protection of the rights of creditors;
(b) issuing, trading, or dealing in securities, futures, options, or derivatives;
(c) financial reporting or record keeping of transfers when necessary to assist law enforcement or financial regulatory authorities;
(d) criminal or penal offences; or

(e) ensuring compliance with orders or judgments in judicial or administrative proceedings.

ARTICLE 10.12: SAFEGUARDS

1. A Party may, subject to paragraph 2, adopt or maintain measures inconsistent with its obligation provided for in Article 10.4 relating to cross-border capital transactions or Article 10.11:

(a) in the event of serious balance of payments or external financial difficulties or threat thereof; or
(b) where, in exceptional circumstances, payments and capital movements between the Parties cause or threaten to cause serious difficulties for the operation of monetary policy or exchange rate policy in either Party.

2. The measures referred to in paragraph 1:

(a) shall be consistent with the Articles of Agreement of the International Monetary Fund;
(b) shall not exceed those necessary to deal with the circumstances described in paragraph 1 ;
(c) shall be temporary and phased out progressively as the situation improves;
(d) shall promptly be notified to the other Party;
(e) shall avoid unnecessary damage to the commercial, economic and financial interests of the other Party;
(f) shall be applied on a national treatment basis; and
(g) shall ensure that the other Party is treated as favourably as any non-Party.

3. Measures adopted or maintained pursuant to paragraph 1(b) shall not exceed a period of six (6) months and may be extended through their formal reintroduction. In addition, a Party adopting such measures or any changes shall commence consultations with the other Party in order to review the restrictions adopted by it.

4. Nothing in this Chapter shall be regarded as affecting the rights enjoyed and obligations undertaken by a Party as a party to the Articles of Agreement of the International Monetary Fund.

ARTICLE 10.13: EXPROPRIATION AND COMPENSATION

1. Neither Party may, directly or indirectly, nationalise or expropriate an investment of an investor of the other Party in its territory, except:

(a) for a public purpose;
(b) on a non-discriminatory basis;
(c) in accordance with due process of law and Article 10.6 ; and
(d) on payment of compensation in accordance with paragraphs 2, 3 and 4.

2. Compensation shall:

(a) be paid without delay and be fully realisable;
(b) be equivalent to the fair market value of the expropriated investment immediately before the expropriation took place ("date of expropriation"); and
(c) not reflect any change in value occurring because the intended expropriation had become known earlier.

3. If the fair market value is denominated in a freely usable currency, the compensation paid shall be no less than the fair market value on the date of expropriation, plus interest at a commercially reasonable rate for that currency, accrued from the date of expropriation until the date of payment.

4. If the fair market value is denominated in a currency that is not freely usable, the compensation paid – converted into the currency of payment at the market rate of exchange prevailing on the date of payment – shall be no less than:

(a) the fair market value on the date of expropriation, converted into a freely usable currency at the market rate of exchange prevailing on that date, plus
(b) interest, at a commercially reasonable rate for that freely usable currency, accrued from the date of expropriation until the date of payment.

5. Notwithstanding paragraphs 1, 2, 3 and 4, any measure of expropriation relating to land, which shall be as defined in the existing domestic legislation of the expropriating Party on the date of entry into force of this Agreement, shall be, for a purpose and upon payment of compensation, in accordance with the aforesaid legislation and any

subsequent amendments thereto relating to the amount of compensation where such amendments follow the general trends in the market value of the land[10-5].

6. This Article does not apply to the issuance of compulsory licences granted in relation to intellectual property rights in accordance with the TRIPS Agreement, or to the revocation, limitation, or creation of intellectual property rights, to the extent that such issuance, revocation, limitation, or creation is consistent with Chapter 17 (Intellectual Property Rights).

ARTICLE 10.14: LOSSES AND COMPENSATION

1. Investors of a Party whose investments suffer losses owing to war or other armed conflict, a state of national emergency, revolt, insurrection, riot or other similar situations, and such losses as ones resulting from requisition or destruction of property, which was not caused in combat action or was not required by the necessity of the situation, in the territory of the other Party, shall be accorded by the other Party, treatment, as regards restitution, indemnification, compensation or other forms of settlement, no less favourable than that which the other Party accords to its own investors or to investors of any non-Party, whichever is more favourable to the investors concerned.

2. Paragraph 1 does not apply to existing measures relating to subsidies or grants, or to any conditions attached to the receipt or continued receipt of such subsidies or grants, whether or not such subsidies or grants are offered exclusively to investors of the Party or investments of investors of the Party, including government-supported loans, guarantees and insurance, that would be inconsistent with Article 10.4 but for paragraph 4(b) of Article 10.9.

ARTICLE 10.15: SUBROGATION

1. Where a Party or an agency authorised by that Party has granted a contract of insurance or any form of financial guarantee against non-commercial risks with regard to an investment by one of its investors in the territory of the other Party and when

[10-5] Article 10.13 is to be interpreted in accordance with and is subjected to the letter exchange on expropriation.

payment has been made under this contract or financial guarantee by the former Party or the agency authorised by it, the latter Party shall recognise the rights of the former Party or the agency authorised by the Party by virtue of the principle of subrogation to the rights of the investor.

2. Where a Party or the agency authorised by the Party has made a payment to its investor and has taken over rights and claims of the investor, that investor shall not, unless authorised to act on behalf of the Party or the agency authorised by the Party, making the payment, pursue those rights and claims against the other Party.

3. Articles 10.11, 10.13 and 10.14 shall apply *mutatis mutandis* as regards payment to be made to the Party or the agency prescribed in paragraphs 1 and 2 by virtue of such recognition of rights and claims, and the transfer of such payment.

ARTICLE 10.16: SPECIAL FORMALITIES AND INFORMATION REQUIREMENTS

1. Nothing in Article 10.4 shall be construed to prevent a Party from adopting or maintaining a measure that prescribes special formalities in connection with the establishment of investments by investors of the other Party, such as the requirement that investments be legally constituted under the laws or regulations of the Party, provided that such formalities are consistent with this Chapter and do not materially impair the protections pursuant to this Chapter afforded by a Party to investors of the other Party and investments of investors of the other Party .

2. Notwithstanding Article 10.4, a Party may require an investor of the other Party, or an investment of the investor in its territory, to provide routine information concerning that investment solely for informational or statistical purposes. The Party shall protect such business information that is confidential from any disclosure that would prejudice the competitive position of the investor or the investment. Nothing in this paragraph shall be construed to prevent a Party from otherwise obtaining or disclosing information in connection with the equitable and good faith application of its law.

ARTICLE 10.17: DENIAL OF BENEFITS

Subject to prior notification and consultation in accordance with Articles 19.3 and 20.4, a Party may deny the benefits of this Chapter to an investor of the other Party that is an enterprise of such other Party and to investments of that investor if investors of a non-Party own or control the enterprise and the enterprise has no substantive business operations in the territory of the other Party under whose law it is constituted or organised.

ARTICLE 10.18: ENVIRONMENTAL MEASURES

Nothing in this Chapter shall be construed to prevent a Party from adopting, maintaining or enforcing any measure otherwise consistent with this Chapter that it considers appropriate to ensure that investment activity in its territory is undertaken in a manner sensitive to environmental concerns.

SECTION C - SETTLEMENT OF DISPUTES BETWEEN A PARTY AND AN INVESTOR OF THE OTHER PARTY

ARTICLE 10. 19: SETTLEMENT OF DISPUTES BETWEEN A PARTY AND AN INVESTOR OF THE OTHER PARTY

1. This Article shall apply to disputes between a Party and an investor of the other Party concerning an alleged breach of an obligation of the former under this Chapter which causes loss or damage to the investor or its investment and establishes a mechanism for the settlement of investment disputes that assures both equal treatment among investors of the Parties in accordance with the principle of international reciprocity and due process before an impartial tribunal.

2. The parties to the dispute shall initially seek to resolve the dispute by consultations and negotiations.

3. If the dispute cannot be resolved as provided for under paragraph 2 within six (6) months from the date of a request for consultations and negotiations, and if the investor concerned has not submitted the investment dispute for resolution (a) before the courts or administrative tribunals of the disputing Party (excluding proceedings for interim

measures of protection referred to in paragraph 5), or (b) in accordance with any previously agreed dispute settlement procedures, the investor concerned may submit the dispute for settlement to:

(a) the International Centre for Settlement of Investment Disputes (ICSID), if both Parties are parties to the ICSID Convention;
(b) arbitration under UNCITRAL Arbitration Rules; or
(c) any other arbitral institution or in accordance with any other arbitral rules, if the parties to the dispute so agree.

4. Each Party hereby consents to the submission of a dispute to arbitration under paragraphs 3(a) and 3(b) in accordance with the provisions of this Article, conditional upon:

(a) the submission of the dispute to such arbitration taking place within three (3) years of the time at which the disputing investor became aware, or should reasonably have become aware, of a breach of an obligation under this Chapter and, of the loss or damage incurred by the disputing investor or its investment;
(b) the disputing investor not being an enterprise of the disputing Party until the disputing investor refers the dispute for arbitration pursuant to paragraph 3; and
(c) the disputing investor providing written notice, which shall be delivered at least ninety (90) days before the claim to arbitration is submitted, to the disputing Party of its intent to submit the dispute to such arbitration and which:
    (i) nominates one (1) of the fora in paragraph 3(a), (b) or (c) as the forum for dispute settlement;
    (ii) briefly summarises the alleged breach of the disputing Party under this Chapter (including the articles alleged to have been breached) and the loss or damage allegedly caused to the investor or its investment.

5. Neither Party shall prevent the disputing investor from seeking interim measures of protection, not involving the payment of damages or resolution of the substance of the matter in dispute before the courts or administrative tribunals of the disputing Party, prior to the institution of proceedings before any of the dispute settlement fora referred to in paragraph 3, for the preservation of its rights and interests.

6. Neither Party shall give diplomatic protection, or bring an international claim, in respect of a dispute which one of its investors and the other Party shall have consented to submit or have submitted to arbitration under this Article, unless such other Party has failed to abide by and comply with the award rendered in such dispute. Diplomatic protection, for the purposes of this paragraph, shall not include informal diplomatic exchanges for the sole purpose of facilitating a settlement of the dispute.

[Date]

Mr. Han-soo Kim
Director General
Free Trade Agreement Bureau
Ministry of Foreign Affairs and Trade
Republic of Korea

Dear Mr. Kim:

I have the honour to refer to the Free Trade Agreement between the government of the Republic of Korea and the government of the Republic of Singapore ("the Agreement") signed at [place] on [date].

Resulting from the above Agreement, I have the honour of confirming the understanding of both Parties that in relation to Chapter 10 (Investment) of the Agreement, Singapore endeavours not to expropriate any land or property of an investor of Korea for a period of two (2) years after the Agreement comes into force.

In the event that Singapore expropriates any land or property of an investor of Korea within two (2) years after the Agreement comes into force, Singapore commits to compensate the investor based on the current market value, as determined in accordance with the Land Acquisition Act, of the expropriate land or property. Compensation would not be based on the value as at 1st January 1995 or any pre-determined date.

Singapore shall notify Korea of any change to the relevant legislation relating to expropriation of land or property.

I would be grateful if you would confirm that the understanding of my Government as stated above is shared by your Government and that this understanding shall be treated as an integral part of the Agreement.

Sincerely,

_____

[Name of Singapore's Representative]
[Title]

July , 2005

H.E. LIM Hng Kiang
Minister for Trade and Industry
Republic of Singapore

Dear H.E. LIM Hng Kiang

I have the honour to acknowledge the receipt of your letter dated [Date], which reads as follows:

"I have the honour to refer to the Free Trade Agreement between the government of the Republic of Korea and the government of the Republic of Singapore ("the Agreement") signed at [place] on [date].

Resulting from the above Agreement, I have the honour of confirming the understanding of both Parties that in relation to Chapter 10 (Investment) of the Agreement, Singapore endeavours not to expropriate any land or property of an investor of Korea for a period of two (2) years after the Agreement comes into force.

In the event that Singapore expropriates any land or property of an investor of Korea within two (2) years after the Agreement comes into force, Singapore commits to compensate the investor based on the current market value, as determined in accordance with the Land Acquisition Act, of the expropriate land or property. Compensation would not be based on the value as at 1st January 1995 or any pre-determined date.

Singapore shall notify Korea of any change to the relevant legislation relating to expropriation of land or property.

I would be grateful if you would confirm that the understanding of my Government as stated above is shared by your Government and that this understanding shall be treated as an integral part of the Agreement."

I have the honor of confirming that this understanding is shared by my Government and that this understanding shall constitute an integral part of the Agreement.

Sincerely,

Han-soo Kim
Director General
Free Trade Agreement Bureau
Republic of Korea

July 18th, 2005

H.E. LIM Hng Kiang
Minister for Trade and Industry
Republic of Singapore

Dear H.E. LIM Hng Kiang:

I have the honour to refer to the Free Trade Agreement between the government of the Republic of Korea and the government of the Republic of Singapore ("the Agreement") signed in Seoul on August 4th, 2005

Resulting from the above Agreement, I have the honour of confirming the understanding of both Parties that in relation to Chapter 10 (Investment) of the Agreement, that under paragraph 1 of Article 10.12, a Party's right to adopt or maintain measures inconsistent with its obligation provided for in Article 10.4, is subject to paragraph 2. Accordingly, a Party shall abide by its undertaking in paragraph 2 of Article 10.12 and not adopt or maintain measures that are inconsistent with its obligation provided for in Article 10.4.

I would be grateful if you would confirm that the understanding of my Government as stated above is shared by your Government and that this understanding shall be treated as an integral part of the Agreement.

Sincerely,

Han-soo Kim
Director General
Free Trade Agreement Bureau
Ministry of Foreign Affairs and Trade
Republic of Korea

Mr. Han-soo Kim
Director General
Free Trade Agreement Bureau
Ministry of Foreign Affairs and Trade
Republic of Korea

Dear Mr. Kim:

I have the honour to acknowledge the receipt of your letter dated [Date], which reads as follows:

"I have the honour to refer to the Free Trade Agreement between the government of the Republic of Korea and the government of the Republic of Singapore ("the Agreement") signed at [place] on [date].

Resulting from the above Agreement, I have the honour of confirming the understanding of both Parties that in relation to Chapter 10 (Investment) of the Agreement, that under paragraph 1 of Article 10.12, a Party's right to adopt or maintain measures inconsistent with its obligation provided for in Article 10.4, is subject to paragraph 2. Accordingly, a Party shall abide by its undertaking in paragraph 2 of Article 10.12 and not adopt or maintain measures that are inconsistent with its obligation provided for in Article 10.4.

I would be grateful if you would confirm that the understanding of my Government as stated above is shared by your Government and that this understanding shall be treated as an integral part of the Agreement."

I have the honor of confirming that this understanding is shared by my Government and that this understanding shall constitute an integral part of the Agreement.

Sincerely,

_____
[Singapore Representative]
[Title]

CHAPTER 11
TELECOMMUNICATIONS

ARTICLE 11.1 : DEFINITIONS

For the purposes of this Chapter:

cost-oriented means based on cost, and may include a reasonable profit, and may involve different cost methodologies for different facilities or services;

end-user means a final consumer of or subscriber to a public telecommunications service, including a service supplier but excluding a supplier of public telecommunications transport network or services;

essential facilities means facilities of a public telecommunications transport network or service that:

(a) are exclusively or predominantly provided by a single or limited number of suppliers; and
(b) cannot feasibly be economically or technically substituted in order to provide a service;

facilities-based suppliers means suppliers of public telecommunications transport networks or services that are:

(a) for Korea, telecommunications carriers provided for in Article 5 of the Telecommunications Business Act; and
(b) for Singapore, Facilities-Based Operators;

major supplier means a supplier of basic telecommunications services that has the ability to materially affect the terms of participation (having regard to price and supply) in the relevant market for public telecommunications transport network or services as a result of:

(a) control over essential facilities; or
(b) use of its position in the market;

network element means a facility or equipment used in the provision of a public telecommunications service, including features, functions, and capabilities that are provided by means of such facility or equipment;

non-discriminatory means treatment no less favourable than that accorded to any other user of like public telecommunications transport networks or services in like circumstances;

number portability means the ability of end-users of public telecommunications transport network or services to retain existing telephone numbers without impairment of quality, reliability, or convenience when switching between like suppliers of public telecommunications transport network or services;

public telecommunications transport network means public telecommunications infrastructure that permits telecommunications between defined network termination points;

public telecommunications transport network or services means public telecommunications transport network and/or public telecommunications transport services;

public telecommunications transport service means any telecommunications transport service required by a Party, explicitly or in effect, to be offered to the public generally, including telegraph, telephone, telex and data transmission, that typically involves the real-time transmission of customer-supplied information between two or more points without any end-to-end change in the form or content of the customer's information;

service supplier means any person that supplies a service**;**

telecommunications means the transmission and reception of signals by any electromagnetic means; and

user means service consumers and service suppliers.

ARTICLE 11.2 : SCOPE AND COVERAGE[11-1]

1. This Chapter shall apply to measures adopted or maintained by a Party that affect access to and use of, and the regulation of public telecommunications transport networks and services.

2. This Chapter does not apply to any measure adopted or maintained by a Party relating to cable or broadcast distribution of radio or television programming.

3. Nothing in this Chapter shall be construed to:

(a) require a Party to authorise a service supplier of the other Party to establish, construct, acquire, lease, operate or provide telecommunications transport networks or services; or
(b) require a Party (or require a Party to compel any service supplier) to establish, construct, acquire, lease, operate or provide telecommunications transport networks or services not offered to the public generally.

ARTICLE 11.3 : ACCESS TO AND USE OF PUBLIC TELECOMMUNICATIONS TRANSPORT NETWORKS AND SERVICES

1. Each Party shall ensure that service suppliers of the other Party have access to and use of any public telecommunications transport network and service, including private leased circuits, offered in its territory or across its borders on reasonable, non-discriminatory, timely and transparent terms and conditions, including as those set out in paragraphs 2, 3, 4, 5 and 6.

2. Each Party shall ensure that service suppliers of the other Party are permitted to:

(a) purchase or lease, and attach terminal or other equipment that interfaces with the public telecommunications transport network;
(b) interconnect leased or owned circuits with public telecommunications

[11-1] The obligations of a Party in this Chapter shall be applied in a non-discriminatory manner to suppliers of public telecommunications transport network or services of both Parties.

transport networks and services in the territory, of that Party, or with circuits leased or owned by another service supplier;

(c) perform switching, signaling and processing functions;

(d) use operating protocols of their choice, other than as necessary to ensure the availability of telecommunications transport networks and services to the public generally; and

(e) provide services to individual or multiple end-users over any leased or owned circuit(s) to the extent that the scope and type of such services are not inconsistent with each Party's domestic laws and regulations.

3. Each Party shall ensure that service suppliers of the other Party may use public telecommunications transport networks and services for the movement of information in its territory or across its borders, including for intra-corporate communications, and for access to information contained in databases or otherwise stored in machine-readable form in the territory of the other Party.

4. Notwithstanding the preceding paragraph, a Party may take such measures as are necessary to ensure the security and confidentiality of messages, or to protect the privacy of personal data of end-users, subject to the requirement that such measures are not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on trade in services.

5. Each Party shall ensure that no condition is imposed on access to and use of public telecommunications transport networks and services, other than that necessary to:

(a) safeguard the public service responsibilities of suppliers of public telecommunications transport networks and services, in particular their ability to make their networks or services available to the public generally; or

(b) protect the technical integrity of public telecommunications transport networks and services.

6. Provided that they satisfy the criteria set out in paragraph 5, conditions for access to and use of public telecommunications transport networks and services may include:

(a) a requirement to use specified technical interfaces, including interface protocols, for interconnection with such networks or services;

(b) requirements, where necessary, for the inter-operability of such services;
(c) type approval of terminal or other equipment which interfaces with the network and technical requirements relating to the attachment of such equipment to such networks; or
(d) notification, registration and licensing.

ARTICLE 11.4 : CONDUCT OF MAJOR SUPPLIERS

Treatment by Major Suppliers

1. Each Party shall ensure that any major supplier in its territory accords facilities-based suppliers, licensed in its territory, of the other Party treatment no less favourable than such major supplier accords to itself, its subsidiaries, its affiliates, or any non-affiliated service supplier, provided they are facilities-based suppliers, regarding:

(a) the availability, provisioning, rates, or quality of like public telecommunications transport network or services; and
(b) the availability of technical interfaces necessary for interconnection.

When necessary, a Party shall assess such treatment on the basis of whether such suppliers of public telecommunications transport network or services, subsidiaries, affiliates, and non-affiliated service suppliers are in like circumstances.

Competitive Safeguards

2. (a) Each Party shall maintain appropriate measures for the purpose of preventing suppliers of public telecommunications transport network or services who, alone or together, are a major supplier in its territory from engaging in or continuing anti-competitive practices.

(b) For the purposes of paragraph (a), anti-competitive practices include:
(i) engaging in anti-competitive cross-subsidisation;
(ii) using information obtained from competitors with anti-competitive results;
(iii) not making available, on a timely basis, to suppliers of public telecommunications transport network or services, technical

information about essential facilities and commercially relevant information that is necessary for them to provide public telecommunications transport network or services; and

(iv) pricing services in a manner that gives rise to unfair competition.

Unbundling of Network Elements

3. (a) Each Party shall ensure that major suppliers in its territory provide to facilities-based suppliers, licensed in its territory, of the other Party access to network elements for the provision of public telecommunications transport network or services at any technically feasible point, on an unbundled basis, in a timely fashion; and on terms, conditions, and cost-oriented rates that are reasonable, transparent, and non-discriminatory.

(b) Each Party may determine, in accordance with its domestic laws and regulations, which network elements it requires major suppliers in its territory to provide access to in accordance with paragraph (a) on the basis of the technical feasibility of unbundling and the state of competition in the relevant market.

Co-Location

4. (a) Each Party shall ensure that major suppliers in its territory provide to facilities-based suppliers, licensed in its territory, of the other Party physical co-location of equipment necessary for interconnection or access to unbundled network elements in a timely fashion and on terms, conditions, and cost-oriented rates that are reasonable, transparent, and non-discriminatory.

(b) Where physical co-location under paragraph (a) is not practical for technical reasons or because of space limitations, each Party shall ensure that major suppliers co-operate with facilities-based suppliers to find alternatives, which could include site inspections of co-location premises, in accordance with each Party's domestic laws and regulations.

(c) Each Party may determine, in accordance with its domestic laws and regulations, which premises in its territory shall be subject to paragraphs (a)

and (b).

Resale

5. (a) Each Party shall ensure that major suppliers in its territory do not impose unreasonable or discriminatory conditions, limitations or rates on the resale of public telecommunications transport network or services that the major supplier provides at retail to end-users.

(b) Each Party may determine, in accordance with its domestic laws and regulations, the type and scope of resale in its territory.

Poles, Ducts, and Conduits

6. (a) Each Party shall ensure that major suppliers in its territory provide access to poles, ducts, conduits, or any other structures deemed necessary by the Party, which are owned or controlled by such major suppliers to facilities-based suppliers, licensed in its territory, of the other Party:

(i) in a timely fashion; and

(ii) on terms, conditions, and cost-oriented rates that are reasonable, transparent, and non-discriminatory.

(b) Each Party may determine, in accordance with its domestic laws and regulations, the poles, ducts, conduits or other structures to which it requires major suppliers in its territory to provide access under paragraph (a) on the basis of the state of competition in the relevant market.

Number Portability

7. Each Party shall ensure that major suppliers in its territory provide number portability, for those services designated by that Party, to the extent technically feasible, on a timely basis and on reasonable terms and conditions.

Interconnection

8. (a) *General Terms and Conditions*

Interconnection to be Ensured

Each Party shall ensure interconnection between a facilities-based supplier and any other facilities-based supplier or a services-based supplier to the extent provided for in its laws and regulations.

Interconnection with Major Suppliers

Each Party shall ensure that a major supplier is required to provide interconnection at any technically feasible point in the network. Such interconnection is provided:

(i) under non-discriminatory terms, conditions (including technical standards and specifications) and rates and of a quality no less favourable than that provided for its own like services, or for like services of non-affiliated service suppliers or for like services of its subsidiaries or other affiliates;

(ii) in a timely fashion, on terms, conditions (including technical standards and specifications) and cost-oriented rates that are transparent, reasonable, having regard to economic feasibility, and sufficiently unbundled so that the supplier need not pay for network components or facilities that it does not require for the services to be provided; and

(iii) upon request, at points in addition to the network termination points offered to the majority of users, subject to charges that reflect the cost of construction of necessary additional facilities.

(b) *Transparency of interconnection arrangements*

Each Party shall ensure that a major supplier will make publicly available either its interconnection agreements or a reference interconnection offer.

(c) *Public Availability of the Procedures for Interconnection Negotiations*

Each Party shall make publicly available the applicable procedures for interconnection negotiations with major suppliers in its territory.

(d) *Public Availability of Interconnection Agreements Concluded with Major Suppliers*

(i) Each Party shall require major suppliers in its territory to file all their interconnection agreements with its telecommunications regulatory body.

(ii) Each Party shall make available to suppliers of public telecommunications transport network or services which are seeking interconnection, interconnection agreements between a major supplier in its territory and any other supplier of public telecommunications transport network or services in such territory.

(e) *Resolution of Interconnection Disputes*

Each Party shall ensure that suppliers of public telecommunications transport network or services of the other Party, that have requested interconnection with a major supplier in the Party's territory have recourse to a telecommunications regulatory body to resolve disputes regarding the terms, conditions, and rates for interconnection within a reasonable and publicly available period of time.

Provisioning and Pricing of Leased Circuits Services[11-2]

9. Each Party shall ensure that major suppliers of leased circuits services in its territory provide service suppliers of the other Party leased circuits services that are public telecommunications transport network or services, on terms and conditions, and at rates that are reasonable, non-discriminatory, timely, and transparent.

[11-2] The obligation under this article is not an obligation to provide leased circuits as an unbundled network element.

ARTICLE 11.5 : INDEPENDENT REGULATORS

1. Each Party shall ensure that its telecommunications regulatory body is separate from, and, not accountable to, any supplier of public telecommunications transport network or services.

2. Each Party shall ensure that the decisions of, and procedures used by its telecommunications regulatory body are impartial with respect to all market participants.

ARTICLE 11.6 : UNIVERSAL SERVICE

Each Party shall administer any universal service obligation that it maintains in a transparent, nondiscriminatory, and competitively neutral manner and shall ensure that its universal service obligation is not more burdensome than necessary for the kind of universal service that it has defined.

ARTICLE 11.7 : LICENSING PROCESS

1. When a Party requires a supplier of public telecommunications transport network or services to have a licence, the Party shall make publicly available:

(a) all the licensing criteria and procedures it applies;
(b) the period of time normally required to reach a decision concerning an application for a licence; and
(c) the terms and conditions of all licences.

2. Each Party shall ensure that an applicant receives, upon request, the reasons for the denial of a licence.

ARTICLE 11.8 : ALLOCATION AND USE OF SCARCE RESOURCES[11-3]

[11-3] The Parties understand that decisions on allocating and assigning spectrum, and frequency management are not measures that are *per se* inconsistent with Article 9.5 and Article 10.7. Accordingly, each Party retains the right to exercise its spectrum and frequency management policies, which may affect

1. Each Party shall administer its procedures for the allocation and use of scarce resources, including frequencies, numbers, and rights of way, in an objective, timely, transparent, and non-discriminatory fashion.

2. Each Party shall make publicly available the current state of allocated frequency bands but shall not be required to provide detailed identification of frequencies assigned or allocated by each government for specific government uses.

ARTICLE 11.9 : ENFORCEMENT

Each Party shall ensure that its telecommunications regulatory body maintains appropriate procedures and authority to enforce domestic measures relating to the obligations under this Chapter. Such procedures and authority shall include the ability to impose effective sanctions, which may include financial penalties, corrective orders, or modification, suspension, and revocation of licences.

ARTICLE 11.10 : RESOLUTION OF DOMESTIC TELECOMMUNICATIONS DISPUTES

Recourse

1. Each Party shall ensure that suppliers of public telecommunications transport networks or services of the other Party have timely recourse to a telecommunications regulatory body or other relevant body to resolve disputes arising under domestic measures addressing a matter set out in this Chapter.

Reconsideration

2. Each Party shall ensure that any supplier of public telecommunications transport networks or services aggrieved by the determination or decision of the telecommunications regulatory body may petition that body for reconsideration of that

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the number of suppliers of public telecommunications services, provided that this is done in a manner that is consistent with the provisions of this Agreement. The Parties also retain the right to allocate frequency bands taking into account existing and future needs.

determination or decision. Neither Party may permit such a petition to constitute grounds for non-compliance with such determination or decision of the telecommunications regulatory body unless an appropriate authority stays such determination or decision.

Appeal

3. Each Party shall ensure that any supplier of public telecommunications transport networks or services aggrieved by a determination or decision of the telecommunications regulatory body has the opportunity to appeal such determination or decision to an independent judicial or administrative authority.

ARTICLE 11.11 : TRANSPARENCY

Each Party shall ensure that:

(a) rulemakings, including the basis for such rulemakings, of its telecommunications regulatory body are published or otherwise made available to interested persons in a reasonable period of time;
(b) interested persons are provided with adequate advance public notice of and the opportunity to comment on any rulemaking proposed by the telecommunications regulatory body[11-4]; and
(c) its measures relating to public telecommunications transport network or services are made publicly available, including:
    (i) tariffs and other terms and conditions of service;
    (ii) specifications of technical interfaces;
    (iii) conditions applying to attachment of terminal or other equipment to the public telecommunications transport network;
    (iv) notification, permit, registration, or licensing requirements, if any; and
    (v) information on bodies responsible for preparing, amending, and adopting standards- related measures is made publicly available.

[11-4] The obligations under paragraph (b) will be applied in accordance with each Party's domestic laws and regulations.

ARTICLE 11.12 : RELATION TO OTHER CHAPTERS

In the event of any inconsistency between this Chapter and another Chapter in this Agreement, this Chapter shall prevail to the extent of the inconsistency.

ARTICLE 11.13 : RELATION TO INTERNATIONAL ORGANISATIONS AND AGREEMENTS

The Parties recognise the importance of international standards for global compatibility and inter-operability of telecommunication networks or services and undertake to promote those standards through the work of relevant international bodies, including the International Telecommunication Union and the International Organization for Standardization.

CHAPTER 12
FINANCIAL SERVICES

ARTICLE 12.1 : SCOPE AND COVERAGE

1. This Chapter applies to measures adopted or maintained by a Party relating to:

   (a) financial institutions of the other Party;
   (b) investors of the other Party, and investments of such investors, in financial institutions in the Party's territory; and
   (c) trade in financial services.

2. Chapters 9 (Cross-Border Trade in Services) and 10 (Investment) apply to measures described in paragraph 1 only to the extent that such Chapters or Articles of such Chapters are incorporated into this Chapter. For this purpose:

   (a) Articles 9.12, 9.15, 10.11, 10.12, 10.13, 10.16, 10.17 and 10.18 are hereby incorporated into and made a part of this Chapter;
   (b) As for Articles 9.16 and 10.12, in the event of any inconsistency between Chapter 9(Cross-Border Trade in Services) and Chapter 10 (Investment) in this Agreement, Chapter 10 shall prevail to the extent of the inconsistency;

and

(c) Section C of Chapter 10 (Investment) is hereby incorporated into and made a part of this Chapter solely for claims that a Party has breached Articles 10.11, 10.13, 10.16 and 10.17, as incorporated into this Chapter.

3. This Chapter does not apply to measures adopted or maintained by a Party relating to:

(a) activities conducted by a central bank or monetary authority or by any other public entity in pursuit of monetary or exchange rate policies;
(b) activities or services forming part of a public retirement plan or statutory system of social security; or
(c) activities or services conducted for the account or with the guarantee or using the financial resources of the Party, including its public entities,

except that this Chapter shall apply if a Party allows any of the activities or services referred to in subparagraphs (a), (b) or (c) to be conducted by its financial institutions in competition with a public entity or a financial institution.

4. This Chapter does not apply to laws, regulations or requirements governing the procurement by government agencies of financial services purchased for governmental purposes and not with a view to commercial resale or use in the supply of services for commercial sale.

ARTICLE 12.2 : NATIONAL TREATMENT

1. In the sectors inscribed in its Schedule in Annex 12A, and subject to any conditions and qualifications set out therein, each Party shall accord to financial services and financial service suppliers of the other Party, in like circumstance, in respect of all measures affecting the supply of financial services, treatment no less favourable than that it accords to its own like financial services and financial service suppliers.

2. In the sectors inscribed in its Schedule in Annex 12A, and subject to any conditions and qualifications set out therein, each Party shall accord to the investors of the other Party, in like circumstances, in respect of the establishment, acquisition,

expansion, management, conduct, operation and sale or other disposition of financial institutions and investments in financial institutions in its territory, treatment no less favourable than that it accords to its own like investors.

3. In the sectors inscribed in its Schedule in Annex 12A, and subject to any conditions and qualifications set out therein, each Party shall accord to the financial institutions of the other Party and to investments of investors of the other Party in financial institutions, in like circumstances, in respect of establishment, acquisition, expansion, management, conduct, operation and sale or other disposition of financial institutions and investments, treatment no less favourable than that it accords to its own like financial institutions, and to investments of its own like investors in financial institutions.

4. A Party may meet the requirement of paragraphs 1, 2 and 3 by according to financial services and financial service suppliers of the other Party, investors of the other Party, financial institutions of the other Party and to investments of investors of the other Party in financial institutions, as the case may be, in like circumstance, either formally identical treatment or formally different treatment to that it accords to its own like financial services and financial service suppliers, its own like investors, its own like financial institutions and investments of its own like investors in financial institutions, respectively.

5. Formally identical or formally different treatment shall be considered to be less favourable if it modifies the conditions of competition in favour of financial services and financial service suppliers of a Party, investors of a Party, financial institutions of a Party and to investments of investors of a Party in financial institutions compared to like financial services or financial service suppliers of the other Party, like investors of the other Party, like financial institutions of the other Party and investments of like investors of the other Party in financial institutions in like circumstance.

ARTICLE 12.3 : MARKET ACCESS

1. With respect to market access through the modes of supply identified in the definition of trade in financial services in Article 12.15, each Party shall accord financial services and financial service suppliers of the other Party treatment no less favourable than that provided for under the terms, limitations and conditions agreed and

specified in its schedule in Annex 12A.

2. In sectors where market-access commitments are undertaken, the measures which a Party shall not maintain or adopt either on the basis of regional subdivision or on the basis of its entire territory, unless otherwise specified in its Schedule in Annex 12A, are defined as:

(a) limitations on the number of financial institutions whether in the form of numerical quotas, monopolies, exclusive service providers or the requirements of an economic needs test;
(b) limitations on the total value of financial service transactions or assets in the form of numerical quotas or the requirement of an economic needs test;
(c) limitations on the total number of financial service operations or the total quantity of financial services output expressed in terms of designated numerical units in the form of quotas or the requirement of an economic needs test;
(d) limitations on the total number of natural persons that may be employed in a particular financial service sector or that a financial institution may employ and who are necessary for, and directly related to, the supply of a specific financial service in the form of a numerical quota or the requirement of an economic needs test;
(e) measures which restrict or require specific types of legal entity or joint venture through which a financial institution may supply a service; and
(f) limitations on the participation of foreign capital in terms of maximum percentage limit on foreign shareholding or the total value of individual or aggregate foreign investment.

ARTICLE 12.4 : SCHEDULE OF SPECIFIC COMMITMENTS

1. Each Party shall set out in a schedule the specific commitments it undertakes under Articles 12.2 and 12.3. With respect to sectors where such commitments are undertaken, each Schedule shall specify:

(a) terms, limitations and conditions on market access;
(b) conditions and qualifications on national treatment;
(c) undertakings relating to additional commitments;

(d) where appropriate, the time-frame for implementation of such commitments.

2. Measures inconsistent with both Articles 12.2 and 12.3 shall be inscribed in the column relating to Article 12.3. In this case the inscription will be considered to provide a condition or qualification to Article 12.2 as well.

3. Schedules of specific commitments shall be annexed to this Agreement as Annex12A and shall form an integral part thereof.

ARTICLE 12.5 : TRANSPARENCY

1. Each Party commits to promote regulatory transparency in financial services. Accordingly, the Parties shall consult with the goal of promoting objective and transparent regulatory processes in each Party, taking into account

(a) the work undertaken by the Parties in GATS and the Parties' work in other fora relating to trade in financial services; and
(b) the importance of regulatory transparency of identifiable policy objectives and clear and consistently applied regulatory processes that are communicated or otherwise made available to the public.

2. Each Party shall publish promptly and, except in emergency situations, at latest by the time of their entry into force, all relevant regulatory measures of general application which pertain to or affect the operation of this Agreement. International agreements pertaining to or affecting trade in financial services to which a Party is a signatory shall also be published.

3. Where publication as referred to paragraph 2 is not practicable, such information shall be made otherwise publicly available.

4. Each Party shall respond promptly to all requests by the other Party for specific information of its regulatory measures of general application or international agreements within the meaning of paragraph 2. Each Party shall also establish one or more enquiry points to provide specific information to the other Party, upon request, on all such matters.

ARTICLE 12.6 : EXCEPTIONS

1. Nothing in this Agreement shall be construed to prevent a Party from adopting or maintaining measures for prudential reasons, including for the protection of investors, depositors, policy holders or persons to whom a fiduciary duty is owed by a financial service supplier, or to ensure the integrity and stability of a Party's financial system. Where such measures do not conform with the provisions of this Agreement, they shall not be used as a means of avoiding the Party's commitments or obligations under such provisions.

2. Nothing in this Chapter or Chapters 10 (Investment), 11 (Telecommunications), or 14 (Electronic Commerce) applies to non-discriminatory measures of general application taken by any public entity in pursuit of monetary and related credit policies or exchange rate policies. This paragraph shall not affect a Party's obligations under Article 9.15, 10.7 or 10.11.

3. Notwithstanding Articles 9.15 and 10.11, as incorporated into this Chapter, a Party may prevent or limit transfers by a financial institution or financial service supplier to, or for the benefit of, an affiliate of or a person related to such institution or supplier, through the equitable, non-discriminatory and good faith application of measures relating to maintenance of the safety, soundness, integrity or financial responsibility of financial institutions or financial service suppliers. This paragraph does not prejudice any other provision of this Agreement that permits a Party to restrict transfers.

4. For greater certainty, nothing in this Chapter shall be construed to prevent the adoption or enforcement by a Party of measures necessary to secure compliance with laws or regulations that are not inconsistent with this Chapter including those relating to the prevention of deceptive and fraudulent practices or to deal with the effects of a default on financial services contracts, subject to the requirement that such measures are not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination between countries where like conditions prevail, or a disguised restriction on investment in financial institutions or cross-border trade in financial services.

ARTICLE 12.7 : DOMESTIC REGULATION

In sectors where specific commitments are undertaken in its schedule to Annex 12A each Party shall ensure that all measures of general application to which this Chapter applies are administered in a reasonable, objective and impartial manner.

ARTICLE 12.8 : TREATMENT OF CERTAIN INFORMATION

Nothing in this Chapter shall require a Party to furnish confidential information, the disclosure of which would impede law enforcement or otherwise be contrary to the public interest, or which would prejudice legitimate commercial interests of particular enterprises, public or private.

ARTICLE 12.9 : RECOGNITION

1. A Party may recognise the prudential measures of any international regulatory body or non-Party in determining how the Party's measures relating to financial services shall be applied. Such recognition, which may be achieved through harmonisation or otherwise, may be based upon an agreement or arrangement with the international regulatory body or non-Party concerned or may be accorded autonomously.

2. A Party that is a party to such an agreement or arrangement referred to in paragraph 1, whether future or existing, shall afford adequate opportunity for the other Party to negotiate its accession to such agreements or arrangements, or to negotiate comparable ones with it, under circumstances in which there would be equivalent regulation, oversight, implementation of such regulation, and if appropriate, procedures concerning the sharing of information between the parties to the agreement or arrangement. Where a Party accords recognition autonomously, it shall afford adequate opportunity for the other Party to demonstrate that such circumstances exist.

ARTICLE 12.10 : FINANCIAL SERVICES COMMITTEE

1. The Parties hereby establish a Financial Services Committee. The principal representative of each Party shall be an official of the Party's authority responsible for financial services.

2. The Financial Services Committee shall:

(a) supervise the implementation of this Chapter and its further elaboration;

(b) consider issues regarding financial services that are referred to it by a Party; and

(c) participate in the dispute settlement procedures in accordance with Article 12.12.

3. The Financial Services Committee shall meet one year after this Agreement has entered into force and thereafter as otherwise agreed by both Parties, to assess the functioning of this Agreement as it applies to financial services.

ARTICLE 12.11 : CONSULTATIONS

1. A Party may request consultations with the other Party regarding any matter arising under this Agreement that affects financial services. The other Party shall give sympathetic consideration to the request. The Parties shall report the results of their consultations to the Financial Services Committee.

2. Consultation under this Article shall include officials of the authority responsible for financial services.

ARTICLE 12.12 : DISPUTE SETTLEMENT

1. Relevant Articles in Chapter 20 (Dispute Settlement) applies as modified by this Article to the settlement of disputes arising under this Chapter.

2. For the purposes of this Article, consultations held pursuant to Article 12.11 shall be deemed to be consultations within the meaning of Article 20.4.

3. When a Party claims that a dispute arises under this Chapter, Article 20.7 shall

apply, except that:

(a) where the Parties so agree, the panel shall be composed entirely of panelists meeting the qualifications in paragraph 4;

(b) in any other case,

(i) each Party may select panelists meeting the qualifications set out in paragraph 4 or paragraph 4 of Article 20.7 ; and

(ii) if the Party complained against invokes Article 12.6, the chair of panel shall meet the qualifications set out in paragraph 4, unless the parties agree otherwise.

4. Financial services panelists shall:

(a) have expertise or experience in financial services law or practice, which may include the regulation of financial institutions;
(b) be chosen strictly on the basis of objectivity, reliability and sound judgment; and
(c) meet the qualifications set out in paragraph 4 and paragraph 4 of Article 20.7.

5. Notwithstanding Article 20.14, where a panel finds a measure to be inconsistent with this Agreement and the measure under dispute affects:

(a) only the financial services sector, the complaining Party may suspend benefits only in the financial services sector;
(b) the financial services sector and any other sector, the complaining Party may suspend benefits in the financial services sector that have an effect equivalent to the effect of the measure in the Party's financial services sector; or
(c) only a sector other than the financial services sector, the complaining Party may not suspend benefits in the financial services sector.

ARTICLE 12.13 : INVESTMENT DISPUTES IN FINANCIAL SERVICES

1. Where an investor of a Party submits a claim under Section C in Chapter 10

(Investment) against the other Party and the respondent invokes Article 10.12 or 12.6, on request of the respondent, the tribunal shall refer the matter in writing to the Financial Services Committee for a decision. The tribunal may not proceed pending receipt of a decision or report under this Article.

2. In a referral pursuant to paragraph 1, the Financial Services Committee shall decide the issue of whether and to what extent Article 10.12 or 12.6 is a valid defence to the claim of the investor. The Financial Services Committee shall transmit a copy of its decision to the tribunal. The decision shall be binding on the tribunal.

3. Where the Financial Services Committee has not decided the issue within sixty (60) days of the receipt of the referral under paragraph 1, the respondent or the Party of the claimant may request the establishment of a panel under relevant Articles in Chapter 20 (Dispute Settlement). The panel shall be constituted in accordance with Article 12.12. The panel shall transmit its final report to the Financial Services Committee and to the tribunal. The report shall be binding on the tribunal.

4. Where no request for the establishment of a panel pursuant to paragraph 3 has been made within ten (10) days of the expiration of the 60-day period referred to in paragraph 3, a tribunal may proceed to decide the matter.

5. For the purposes of this Article, tribunal means a tribunal established pursuant to Article 10.19.

ARTICLE 12.14 : MODIFICATION OF SCHEDULES

The Parties shall, on the request in writing by either Party, hold consultations to consider any modification or withdrawal of a commitment in the Schedule of specific commitments on trade in financial services. Such consultations shall be held within three months after the requesting Party makes such a request. In such consultations, the Parties shall aim to ensure that a general level of mutually advantageous commitments not less favourable to trade than that provided for in the Schedule of specific commitments in Annex 12A prior to such consultations is maintained.

ARTICLE 12.15 : DEFINITIONS

For the purposes of this Chapter:

trade in financial services means the supply of a financial service:

(a) from the territory of a Party into the territory of the other Party;
(b) in the territory of a Party by a person of that Party to the financial service consumer of the other Party;
(c) by a financial service supplier of a Party, through commercial presence in the territory of the other Party;
(d) by a financial service supplier of a Party, through presence of natural persons of that Party in the territory of the other Party;

commercial presence means any type of business or professional establishment, including through:

(a) the constitution, acquisition or maintenance of a juridical person; or
(b) the creation or maintenance of a branch or a representative office, within the territory of a Party for the purpose of supplying a service;

financial institution means any financial intermediary or other institution, that is authorised to do business and regulated or supervised as a financial institution under the law of the Party in whose territory it is located;

financial institution of the other Party means a financial institution, including a branch, located in the territory of a Party that is controlled by persons of the other Party;

financial service means a service of a financial nature, including insurance, and a service incidental or auxiliary to a service of a financial nature. Financial services shall include the activities as stated in Annex 12B;

financial service consumer means any person that receives or uses a financial service;

financial service supplier of a Party means any natural or juridical person authorised by the law of a Party that is engaged in the business of supplying financial services through the trade in financial services.

investment means "investment" as defined in Chapter 10 (Investment), except that, with respect to "loans" and "debt instruments" referred to in that Chapter:

(a) a loan to or debt instrument issued by a financial institution is an investment only where it is treated as regulatory capital by the Party in whose territory the institution is located; and
(b) a loan granted by or debt instrument owned by a financial institution, other than a loan to or debt instrument of a financial institution referred to in subparagraph (a), is not an investment;

investor of a Party means a Party or state enterprise thereof, or a person of that Party, that attempts to make, is making, or has made an investment in the territory of the other Party; provided, however, that a natural person who is a dual national shall be deemed to be exclusively a national of the State of his/her dominant and effective nationality;

juridical person means any legal entity duly constituted or otherwise organised under applicable law, whether for profit or otherwise, and whether privately-owned or governmentally-owned, including any corporation, trust, partnership, joint venture, sole proprietorship or association, or a branch of a financial institution constituted or otherwise organised under the law of a non-Party that is registered or set up in the territory of a Party and carrying out business activities there***;***

juridical person of the other Party means a juridical person which is either:

(a) constituted or otherwise organised under the law of the other Party and, for greater certainty, includes a branch of a financial institution of a non-Party; and is engaged in substantive business operations in the territory of the other Party; or
(b) in the case of the supply of a service through commercial presence, owned or controlled by:
    (i) natural persons of the other Party; or
    (ii) juridical persons of the other Party identified under subparagraph (a);

natural person of a Party means a natural person who resides in the territory of the Party or elsewhere and who under the law of that Party:

(a) is a national of that Party; or

(b) has the right of permanent residence in that Party;

person of a Party means either a natural person or a juridical person;

public entity means:

(a) a government, a central bank or a monetary authority of a Party, or an entity owned or controlled by a Party, that is principally engaged in carrying out governmental functions or activities for governmental purposes, not including an entity principally engaged in supplying financial services on commercial terms; for greater certainty, a public entity shall not be considered a designated monopoly or a public enterprise for purposes of Chapter 15 (Competition); or
(b) a private entity, performing functions normally performed by a central bank or monetary authority, when exercising those functions;

authority responsible for financial services means:

(a) for Korea, the Ministry of Finance and Economy; and
(b) for Singapore, the Monetary Authority of Singapore.

ANNEX 12 A : SPECIFIC COMMITMENTS

Section 1 : Specific Commitments of Singapore

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	**Limitations on Market Access**	**Limitations on National Treatment**	**Additional Commitments**
A. <u>Insurance and Insurance-related Services</u> All the commitments in this Schedule are also subject to entry requirements, domestic laws, guidelines, rules and regulations, terms and conditions of the Monetary Authority of Singapore (MAS) or any other relevant authority or body in Singapore, as the case may be, which are consistent with Article12. 8.			
(a) Life insurance services including annuity, disability income, accident and health insurance services	1) Unbound 2) None 3) Foreign parties can only acquire equity stakes of up to 49% in aggregate in locally-owned insurance companies provided the acquisition does not result in any foreign party being the largest shareholder. Unbound for licensing [1] of new insurance companies and establishment of new representative offices and activities relating to the use, including via investment, of monies from any social security, public retirement or statutory savings scheme. 4) Unbound except as indicated in the horizontal section.	1) Unbound 2) None 3) None 4) Unbound except as indicated in the horizontal section.	

[1] "Licensing is expressed as, and equivalent to, registration for insurance companies and insurance brokers carrying on insurance business in Singapore as provided in Singapore domestic law on insurance.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	**Limitations on Market Access**	**Limitations on National Treatment**	**Additional Commitments**
(b) Non-life insurance services including disability income, accident and health insurance and contracts of fidelity bonds, performance bonds or similar contracts of guarantee	1) Unbound 2) None except that compulsory insurance of Motor Third Party Liability and Workmen's Compensation *may only* be purchased from licensed[1] insurance companies in Singapore.	1) Unbound 2) None	
	3) Foreign parties can only acquire equity stakes of up to 49% in aggregate in locally-owned insurance companies provided the acquisition does not result in any foreign party being the largest shareholder. Unbound for licensing of new insurance companies and establishment of new representative offices. 4) Unbound except as indicated in the horizontal section.	3) None 4) Unbound except as indicated in the horizontal section.	

[2] "Licensing is expressed as, and equivalent to, registration for insurance companies and insurance brokers carrying on insurance business in Singapore as provided in Singapore domestic law on insurance

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	**Limitations on Market Access**	**Limitations on National Treatment**	**Additional Commitments**
(c) Reinsurance and retrocession	1) None 2) None 3) Reinsurance companies can establish as branches or subsidiaries. 4) Unbound except as indicated in the horizontal section.	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section.	
(d) Insurance intermediation comprising broking and agency services	1) Unbound 2) Agents are not allowed to act for unlicensed[1] insurers. The placement of domestic risks outside Singapore by brokers is subject to the approval of MAS, with the exception of reinsurance risks and insurance risks relating to maritime liabilities of ship-owners insured by protection & indemnity clubs. 3) Unbound except for admission of direct general insurance and reinsurance brokers as locally incorporated subsidiaries. 4) Unbound except as indicated in the horizontal section.	1) Unbound 2) None 3) Unbound 4) Unbound except as indicated in the horizontal section.	
(e) Services auxiliary to insurance comprising actuarial, loss adjustors, average adjustors and consultancy services	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section.	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section.	

[3]. ."Licensing is expressed as, and equivalent to, registration for insurance companies and insurance brokers carrying on insurance business in Singapore as provided in Singapore domestic law on insurance

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	**Limitations on Market Access**	**Limitations on National Treatment**	**Additional Commitments**
B. <u>Banking and other financial services</u> All the commitments in this Schedule are also subject to entry requirements, domestic laws, guidelines, rules and regulations, terms and conditions of the Monetary Authority of Singapore (MAS) or any other relevant authority or body in Singapore, as the case may be, which are consistent with Article 12.8.			
(a) Acceptance of deposits and other repayable funds from the public	1) Unbound 2) None 3) Only institutions *licensed or* approved as banks, merchant banks and finance companies can accept deposits. Where a foreign financial institution is subject to legislation in its home country which requires that institution to confer lower priority to depositors of its foreign offices vis-à-vis the home country depositors in receivership or winding-up proceedings, the MAS may exercise appropriate differentiated measures against that foreign financial institution in Singapore to safeguard the interest of the Singapore office's depositors. Establishment and operation of foreign banks, merchant banks and finance companies are also subject to the limitations listed under activities B(a) to B(l) and the following limitations:	1) Unbound 2) None 3) <u>Commercial banks</u> Foreign banks can operate from only one office (excluding back-office operations). They cannot establish off-premise ATMs and ATM networking and new sub-branches. Unbound for provision of all electronic banking services. Location of banks and relocation of banks and sub-branches require prior approval from MAS. Restricted banks can only accept foreign currency fixed deposits from and operate current accounts for residents and non-residents. For Singapore dollar deposits, they can only accept fixed deposits of S$250,000 or more per deposit. Offshore banks can accept foreign currency fixed deposits from residents and non-residents. For Singapore dollar deposits, they can only accept fixed deposits of S$250,000 or more per deposit from non-residents.	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	**Limitations on Market Access**	**Limitations on National Treatment**	**Additional Commitments**
	Commercial banks No new full and restricted banks. New foreign banks may only establish as offshore bank branches or representative offices. Representative offices cannot conduct business or act as agents. Banks, with MAS' approval, can operate foreign currency savings accounts only for non-residents. A single/related group of foreign shareholders can only hold up to 5 per cent of a local bank's shares. The limit on aggregate foreign ownership of each domestic bank's shares has been increased from 20 per cent to 40 per cent. Merchant banks Foreign banks and merchant banks may establish as merchant bank subsidiaries or merchant bank branches.	Merchant banks Merchant banks can operate from only one office (excluding back-office operations). Location and relocation of merchant banks require MAS' prior approval. Merchant banks can, with MAS' authorization, raise foreign currency funds from residents and non-residents, operate foreign currency savings accounts for non-residents and raise Singapore dollar funds from their shareholders and companies controlled by their shareholders, banks, other merchant banks and finance companies.	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	**Limitations on Market Access**	**Limitations on National Treatment**	**Additional Commitments**
	Finance companies No new finance companies. Unbound for foreign acquisition of shares in finance companies and transfer or sale of foreign shareholdings in existing finance companies to foreign parties. All finance companies, local and foreign-owned, can only conduct Singapore dollar business. With MAS' prior approval, eligible finance companies can also deal in foreign currencies, gold or other precious metals, and acquire foreign currency stocks, shares or debt/convertible securities. 4) Unbound except as indicated in the horizontal section.	Finance companies Location of finance companies and relocation of sub-branches require MAS' prior approval. Foreign-owned finance companies cannot establish off-premise ATMs, ATM networking and new sub-branches. 4) Unbound except as indicated in the horizontal section.	
(b) Lending of all types including consumer credit, mortgage credit, factoring and financing of commercial transaction	1) Unbound 2) None 3) (i) Other than in-house credit cards, credit and charge cards may be issued by card issuers approved by MAS subject to MAS' guidelines.	1) None 2) None 3) Each offshore bank's lending in Singapore dollars to residents shall not exceed S$200m in aggregate.	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	**Limitations on Market Access**	**Limitations on National Treatment**	**Additional Commitments**
	(ii) Financial institutions extending Singapore dollar (S$) credit facilities exceeding S$5 million per entity to non-resident financial entities or arranging S$ equity or bond issues for non-residents, shall ensure that where the S$ proceeds are to be used outside Singapore, they are swapped or converted into foreign currency upon draw-down or before remittance aboard. Financial entities shall not extend S$ credit facilities to non-resident financial entities if there is reason to believe that the S$ proceeds may be used for S$ currency speculation. (iii) Establishment of credit companies which do not conduct activities requiring MAS' approval is allowed. 4) Unbound except as indicated in the horizontal section.	Offshore banks should not use their related merchant banks to circumvent the S$200m lending limit. Unbound for establishment of off-premise cash dispensing machines for credit and charge cards *issuers*. 4) Unbound except as indicated in the horizontal section.	
(c) Financial leasing	1) None 2) None 3) None except as indicated for activity B(b) above. 4) Unbound except as indicated in the horizontal section.	1) None 2) None None except as indicated for activity B(b) above. 4) Unbound except as indicated in the horizontal section.	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	**Limitations on Market Access**	**Limitations on National Treatment**	**Additional Commitments**
(d) Payment and money transmission services, including credit, charge and debit cards, travellers cheques and bankers' drafts	1) Unbound 2) None 3) Remittance shops, except where the remittance business is conducted by banks and merchant banks, are required to be majority owned by Singapore citizens. Bankers' drafts can only be issued by banks. Only the following can issue stored value cards: a bank in Singapore licensed by MAS; and a juridical person for the payment only of goods or services or both goods and services provided by that person. The limitations indicated in B.b)3) above also apply to the activities listed in B.d). 4) Unbound except as indicated in the horizontal section.	1) Unbound 2) None 3) None 4) Unbound except as indicated in the horizontal section.	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	**Limitations on Market Access**	**Limitations on National Treatment**	**Additional Commitments**
(e) Guarantees and commitments	1) None except for the limitations indicated in activity A.b) for insurance companies providing contracts of fidelity bonds, performance bonds or similar contracts of guarantee. 2) None 3) None except for the limitations indicated in activity A.b) for insurance companies providing contracts of fidelity bonds, performance bonds or similar contracts of guarantee, and B.b)3)(ii) above. 4) Unbound except as indicated in the horizontal section.	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section.	
(f) Trading for own account or for account of customers, whether on an exchange, in an over-the-counter market or otherwise, the following:	1) Unbound except for trading in products listed in B.(f) for own account. Trading in money market instruments, foreign exchange, as well as exchange rate and interest rate instruments can be conducted with financial institutions only.	1) None	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	**Limitations on Market Access**	**Limitations on National Treatment**	**Additional Commitments**
- money market instruments (including cheques, bills, certificates of deposit) - foreign exchange - derivative products, including financial futures and options - exchange rate and interest rate instruments, including swaps and forward rate agreements - transferable securities - other negotiable instruments and financial assets, including bullion	2) None 3) Banks and merchant banks are required to set up separate subsidiaries to trade financial futures for customers. Financial futures brokers can establish as branches or subsidiaries. The offer of derivative products by both local and foreign-owned financial institutions is allowed provided: - the product has been offered by the financial institution in other internationally-reputable financial centres and the supervisory authorities of those centres agree to the offer of such products in their markets; - the financial institution's parent supervisor and its head office must be aware and have no objection to the offer of such products in the Singapore branch/subsidiary; and - MAS is satisfied that the financial institution has and continues to have the financial strength and adequate internal controls and risk management systems to trade in these products.	2) None 3) None except as indicated for activity B(b) above.	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	**Limitations on Market Access**	**Limitations on National Treatment**	**Additional Commitments**
	The offer of derivative products involving the Singapore dollar is subject to the requirement indicated in Bb)3)(ii). Moneychangers, except where the money-changing business is conducted by banks and merchant banks, are required to be majority owned by Singapore citizens. 4) Unbound except as indicated in the horizontal section.	4) Unbound except as indicated in the horizontal section.	
(g) Participation in issues of all kinds of securities, including underwriting and placement as agent and provision of service related to such issues	1) Unbound except for participation in issues of securities for own account, and underwriting and placement of securities through stock-broking companies, banks or merchant banks in Singapore.	1) None	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	**Limitations on Market Access**	**Limitations on National Treatment**	**Additional Commitments**
	2) None 3) SGX-ST will admit new trading members. New members will be able to trade directly in S$ denominated securities of Singapore-incorporated companies with resident investors for a minimum value of S$200,000. Representative offices cannot conduct business or act as agents. Unbound for foreign acquisition of new and existing equity interests in *SGX-ST* member companies. Banks' and merchant banks' membership on any securities exchange or futures exchange in Singapore must be held through subsidiaries. Unbound for new Primary and Registered Dealers of Singapore Government Securities. 4) Unbound except as indicated in the horizontal section.	2) None 3) None except as indicated for activity B(b) above 4) Unbound except as indicated in the horizontal section.	
(h) Money broking	1) Unbound 2) None 3) Unbound for new money brokers. 4) Unbound except as indicated in the horizontal section.	1) Unbound 2) None 3) None 4) Unbound except as indicated in the horizontal section.	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	**Limitations on Market Access**	**Limitations on National Treatment**	**Additional Commitments**
(i) Asset management, such as cash or portfolio management, all forms of collective investment management, pension fund management, custodial, depository and trust services	1) Unbound 2) None 3) Asset management companies, custodial depositories, and trust services companies can establish as branches**,** or subsidiaries. Only the Central Depositary Pte Ltd is authorised to provide securities custodial depository services under the scripless trading system. Unbound for activities relating to the use, including via investment, of monies from any social security, public retirement or statutory savings scheme. 4) Unbound except as indicated in the horizontal section.	1) Unbound 2) None 3) None 4) Unbound except as indicated in the horizontal section.	
(j) Settlement and clearing services for financial assets, including securities, derivative products and other negotiable instruments	1) Unbound, except for the provision of settlement and clearing services for financial assets which are listed on overseas exchanges only. 2) None 3) Settlement and clearing services for exchange traded securities and financial futures can only be provided by *Central Depository (Pte) Limited and Singapore Exchange Derivatives Clearing Ltd* respectively. Only one clearing house established under the Banking Act may provide clearing services for Singapore dollar cheques and inter-bank fund transfer. 4) Unbound except as indicated in the horizontal section.	1) Unbound 2) None 3) Unbound 4) Unbound except as indicated in the horizontal section.	

Modes of supply: (1) Cross-border supply (2) Consumption abroad (3) Commercial presence (4) Presence of natural persons			
Sector or Sub-sector	**Limitations on Market Access**	**Limitations on National Treatment**	**Additional Commitments**
(k) Advisory and other auxiliary financial services, including credit reference and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy	1) Commercial presence is required for provision of investment and portfolio research and advice to the public. 2) None 3) Financial advisers can establish as branches, subsidiaries or representative offices. Representative offices cannot conduct business or act as agents. 4) Unbound except as indicated in the horizontal section.	1) None 2) None 3) None 4) Unbound except as indicated in the horizontal section.	
(l) Provision and transfer of inancial information, and financial data processing and related software by providers of other financial services	1) Unbound except for the provision of financial information by providers such as Reuters and Bloomberg. The Singapore branches of foreign banks can transmit data to their head offices and sister branches for processing provided proper controls exist, the integrity and confidentiality of the data/information are safeguarded, and MAS is allowed on-site access to the data/information at the place where the data/information is processed. 2) Only the provision of financial information by providers such as Reuters and Bloomberg is allowed.	1) None for the provision of financial information by providers such as Reuters and Bloomberg. 2) None	

Modes of supply: (1) Cross-border supply (2) Consumption abroad(3) Commercial presence (4) Presence of natural persons			
Sector or Sub-sector	**Limitations on Market Access**	**Limitations on National Treatment**	**Additional Commitments**
	3) The provision of financial information by providers, such as Reuters and Bloomberg, is allowed. The provision of financial data processing services to banks and merchant banks is subject to domestic laws on protection of confidentiality of information of customers of banks and merchant banks. 4) Unbound except as indicated in the horizontal section.	3) None 4) Unbound except as indicated in the horizontal section.	

Section 2 : Specific Commitments of Korea

Modes of supply: 1) **Cross-border supply** 2) **Consumption abroad** 3) **Commercial presence** 4) **Presence of natural persons**			
Sector or Sub-sector	**Limitations on Market Access**	**Limitations on National Treatment**	**Additional Commitments**
FINANCIAL SERVICES Horizontal commitments regarding cross-border services and investment will apply to financial services unless the commitments in this schedule define otherwise for avoidance of doubt. All the terms, limitations, conditions and qualifications in this schedule shall apply to investors of Singapore and investments of such investors in financial institutions in Korea. All financial services are subject to the following provisions: (1) For prudential reasons within the context of paragragh 1 of Article 12.6, Korea shall not be prevented from taking measures including requirements related to parent companies, minimum capital requirement, minimum operating funds requirement, business worker's license and approval for business activities. (2) A financial institution must be established for only one type of business defined in related laws such as banking and securities and thus cannot be engaged in other business activities regulated by other relevant laws. (3) Cross-border supply of financial services and supply through consumer movement may not be settled in the Korean currency. After the establishment of commercial presence, financial institutions may handle only transactions, denominated and settled in the Korean currency, with residents. Approval is required for transactions denominated or settled in foreign currencies with non-residents. Approvals are required for transactions with non-residents such as providing won-denominated loans, issuing won-denominated securities with short-term maturities, providing foreign currency denominated financial credits, guaranties or collaterals, financially unsound corporation's borrowing from non-residents and derivatives transactions. Transactions in foreign currencies or with non-residents are required to be reported to relevant authorities. (4) Assets owned by branches must be kept within the territory of Korea. Capital of the head office is not recognized as the basis for determining the extent of funding and lending activities of domestic branches. (5) Demand deposit interest rates are regulated. (6) Management and operation of assets of a financial institution are restricted. (7) A financial institution may not own real estate for non-business purposes. (8) Introduction of new financial products including derivatives is subject to approval. (9) On Mode 1)2)3), Korea undertakes a standstill commitment for limitations on market access and national treatment, where specific commitments are undertaken, in financial services listed in this schedule as of 31 August 1997.			

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	**Limitations on Market Access**	**Limitations on National Treatment**	**Additional Commitments**
A. Insurance and Insurance-related Services (i) Direct Insurance a) Life Insurance Services including accident and health insurance services	1) Unbound 2) Unbound 3) Commercial presence is permitted only to foreign life insurance companies. Establishment of joint ventures with Korean life insurance companies is not allowed. Recruitment and employment of insurance professionals, including sales personnel, are r Top executive personnel of each establishment must reside in Korea. 4) Unbound except as indicated in the Horizontal Commitments Section.	1) Unbound 2) Unbound 3) None 4) Unbound except as indicated in the Horizontal Commitments Section.	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	**Limitations on Market Access**	**Limitations on National Treatment**	**Additional Commitments**
b) Non-life Insurance services	1) Unbound except for marine export/import cargo and aviation insurance. 2) Unbound 3) Commercial presence is permitted only to foreign non-life insurance companies. Establishment of joint ventures with Korean non- life insurance companies is not allowed. Recruitment and employment of insurance professionals, including sales personnel, are restricted. Top executive personnel of each establishment must reside in Korea. 4) Unbound except as indicated in the Horizontal Commitments Section.	1) Unbound 2) Unbound 3) None 4) Unbound except as indicated in the Horizontal Commitments Section.	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	**Limitations on Market Access**	**Limitations on National Treatment**	**Additional Commitments**
(ii) Reinsurance and retrocession services	1) None 2) None 3) Commercial presence is permitted only to foreign reinsurance and retrocession insurance companies. Recruitment and employment of insurance professionals, including sales personnel, are restricted. Establishment of joint ventures with Korean reinsurance and retrocession services is not allowed. Top executive personnel of each establishment must reside in Korea. 4) Unbound except as indicated in the Horizontal Commitments Section.	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments Section.	
(iii) Insurance broking and agency services a) Brokerage	1) Unbound 2) Unbound 3) Commercial Presence is permitted only to foreign insurance brokerage companies. Top executive personnel of each establishment must reside in Korea. 4) Unbound except as indicated in the Horizontal Commitments Section.	1) Unbound 2) Unbound 3) None 4) Unbound except as indicated in the Horizontal Commitments Section.	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	**Limitations on Market Access**	**Limitations on National Treatment**	**Additional Commitments**
b) Agency	1) Unbound 2) Unbound 3) None except : Top executive personnel of each establishment must reside in Korea. 4) Unbound except as indicated in the Horizontal Commitments Section.	1) Unbound 2) Unbound 3) None 4) Unbound except as indicated in the Horizontal Commitments Section.	
(iv) Services auxiliary to insurance : applicable only to sub-sector a) and b) a) Claim settlement and adjustment services[1] b) Actuarial services	1) Unbound 2) Unbound 3) Commercial Presence is permitted only to foreign claim settlement and adjustment companies and actuarial companies. Top executive personnel of each establishment must reside in Korea. 4) Unbound except as indicated in the Horizontal Commitments Section.	1) None 2) None 3) None 4) Unbound except as indicated in the Horizontal Commitments Section.	

[1] Activities which assess and adjust loss and compensation.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	**Limitations on Market Access**	**Limitations on National Treatment**	**Additional Commitments**
B. Banking and other financial Services : applicable only to the sub-sectors listed below. (i) Deposit[2] (ii) Lending[3] (iii) Financial leasing (iv) Payment and Money transmission (v) Guarantees and commitments (vi) Foreign exchange services[4] (vii) Settlement and clearing [5]	1) Unbound 2) Unbound 3) Commercial presence is permitted only to foreign financial institutions (except for financial leasing) which deal with the same services in their countries of origin. A person may own up to 10 per cent of the stocks of a bank (up to 4 per cent in case of non-financial service business entity) and 15 per cent of the stocks of a provincial bank without special authorization of relevant authorities[6] A person can own up to 100 per cent of the stocks of a bank or a provincial bank with special authorization of relevant authorities. Korean Development Bank and Export-Import Bank of Korea are owned by the government. Foreign exchange position is regulated. The oversold position of spot foreign exchange is US$ 5 million or 3 per cent of capital (whichever is greatest).	1) Unbound 2) Unbound 3) None	

2 Activities through which banks obtain funds from the public by receiving deposits or issuing transferable instruments or other securities.
3 Activities through which banks provide funds to the public in order to receive interest via loans or bill discounts.
4 Activities which issue, remit and collect foreign exchange.
5 Activities which settle and clear notes, bills and cheques by banks according to the Article of KFTCI (Korea Financial Telecommunications and Clearings Institute).
6 The definitions of "a person" and "non-financial service business entity" are in accordance with the relevant provision of the Presidential Decree of the Bank Act.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	**Limitations on Market Access**	**Limitations on National Treatment**	**Additional Commitments**
	Deposits for specific purposes, such as housing subscription, may be handled only by designated institutions. Securities savings and credit granting are subject to ceilings and operational restrictions. Lending to credit card members through such means as card loans is subject to limitation. For credit card services, maximum limits are applied to fees, interest rates and other charges. The maturity of CDs shall be more than 30 days. Underlying transaction and documentation requirements apply to foreign exchange transactions. Underlying documentation requirements are exempt in the case of forward transactions. Mandatory lending to small-and-medium sized companies is required. Foreign currency loans are subject to ceilings and usage restrictions. Top executive personnel of financial leasing, credit granting and securities savings companies must reside in Korea. 4) Unbound except as indicated in the Horizontal Commitments Section.	4) Unbound except as indicated in the Horizontal Commitments Section.	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	**Limitations on Market Access**	**Limitations on National Treatment**	**Additional Commitments**
(viii) Trading for own account or for account of customers, whether on an exchange, in an over-the-counter market or otherwise : applicable only to the instruments as listed below. a) Money market instruments (including cheques, bills, certificates of deposit) b) Foreign exchange c) Financial Derivative products (including futures and options) c) Exchange rate and interest rate instruments (including swaps and forward rate agreements) e) Transferable securities f) Other negotiable instruments and financial assets (including bullion)	1) Unbound 2) Unbound 3) Commercial presence is permitted only to foreign financial institutions which deal with the same instruments in their countries of origin. Representative offices may be established by pre-notification. Top executive personnel of each establishment must reside in Korea. 4) Unbound except as indicated in the Horizontal Commitments Section.	1) Unbound 2) Unbound 3) None 4) Unbound except as indicated in the Horizontal Commitments Section.	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	**Limitations on Market Access**	**Limitations on National Treatment**	**Additional Commitments**
(ix) Participation in issues of all kinds of securities a) Securities issue b) Underwriting c) Placement d) Other services related to securities	1) Unbound 2) Unbound 3) Commercial presence is permitted only to foreign financial institutions which deal with issuing of all kinds of securities. Representative offices may be established by pre-notification. Top executive personnel of each establishment must reside in Korea. 4) Unbound except as indicated in the Horizontal Commitments Section.	1) Unbound 2) Unbound 3) None 4) Unbound except as indicated in the Horizontal Commitments Section.	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	**Limitations on Market Access**	**Limitations on National Treatment**	**Additional Commitments**
(x) Asset management : applicable only to services listed below. a) Cash or portfolio management b) All forms of collective investment management c) Custody d) Trust[7] (including discretionary investment advisory service)	1) Unbound 2) Unbound 3) Commercial presence is permitted only to foreign asset management companies. Representative offices may be established by Pre-notification. To handle a trust business, approval (two types) is required from the Ministry of Finance and Economy both for engaging in businesses other than the main banking businesses and for engaging in the trust business. Unbound for real estate trust business. Top executive personnel of each establishment must reside in Korea. 4) Unbound except as indicated in the Horizontal Commitments Section.	1) Unbound 2) Unbound 3) None 4) Unbound except as indicated in the Horizontal Commitments Section.	

7 Activities where a trustee is commissioned to manage the financial assets for the beneficiary's benefit.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	**Limitations on Market Access**	**Limitations on National Treatment**	**Additional Commitments**
(xi) Credit information services	1) Unbound 2) Unbound 3) Unbound except for equity participation of less than 50 percent in existing financial information companies. 4) Unbound except as indicated in the Horizontal Commitments Section.	1) Unbound 2) Unbound 3) None 4) Unbound except as indicated in the Horizontal Commitments Section.	
(xii) Advisory, intermediation and other auxiliary financial services: applicable only to services listed below: a) Investment advice	1) Unbound 2) Unbound 3) Commercial presence is permitted only to foreign investment advisory companies. Representative offices may be established by pre-notification. Top executive personnel of each establishment must reside in Korea. 4) Unbound except as indicated in the Horizontal Commitments Section.	1) Unbound 2) Unbound 3) None 4) Unbound except as indicated in the Horizontal Commitments Section.	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons			
Sector or Sub-sector	**Limitations on Market Access**	**Limitations on National Treatment**	**Additional Commitments**
b) Credit rating and analysis	1) Unbound 2) Unbound 3) Credit rating companies should be designated by the relevant authorities to assess the credit rating of companies which may wish to issue non-guaranteed corporate bonds and commercial papers. 4) Unbound except as indicated in the Horizontal Commitments Section.	1) Unbound 2) Unbound 3) None 4) Unbound except as indicated in the Horizontal Commitments Section.	

ANNEX 12B : FINANCIAL SERVICES ACTIVITIES

Insurance and insurance-related services

(i) direct insurance (including co-insurance):

(A) life

(B) non-life

(ii) reinsurance and retrocession;

(iii) insurance intermediation, such as brokerage and agency;

(iv) services auxiliary to insurance, such as consultancy, actuarial, risk assessment and claim settlement services.

Banking and other financial services (excluding insurance)

(v) acceptance of deposits and other repayable funds from the public;

(vi) lending of all types, including consumer credit, mortgage credit, factoring and financing of commercial transaction;

(vii) financial leasing;

(viii) all payment and money transmission services, including credit, charge and debit cards, travelers cheques and bankers drafts;

(ix) guarantees and commitments;

(x) trading for own account or for account of customers, whether on an exchange, in an over-the-counter market or otherwise, the following:

(A) money market instruments (including cheques, bills, certificates of deposits);

(B) foreign exchange;

(C) derivative products including, but not limited to, futures and options;

(D) exchange rate and interest rate instruments, including products such as swaps, forward rate agreements;

(E) transferable securities;

(F) other negotiable instruments and financial assets, including bullion;

(xi) participation in issues of all kinds of securities, including underwriting and placement as agent (whether publicly or privately) and provision of services related to such issues;

(xii) money broking;

(xiii) asset management, such as cash or portfolio management, all forms of collective investment management, pension fund management, custodial, depository and trust services;

(xiv) settlement and clearing services for financial assets, including securities, derivative products, and other negotiable instruments;

(xv) provision and transfer of financial information, and financial data processing and related software by suppliers of other financial services;

(xvi) advisory, intermediation and other auxiliary financial services on all the activities listed in subparagraphs (v) through (xv), including credit reference and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy.

CHAPTER 13
TEMPORARY ENTRY OF BUSINESS PERSONS

ARTICLE 13.1: DEFINITIONS

For the purposes of this Chapter :

business person means a national of a Party who is engaged in trade in goods, the provision of services or the conduct of investment activities;

business visitors means nationals of either Party who are:

(a) service sellers;
(b) short-term service suppliers;
(c) investors of a Party or employees of an investor who are managers, executives or specialists as defined in relation to intra-corporate transferees in a Party's Schedule of Specific Commitments to GATS seeking temporary entry to establish an investment; or
(d) seeking temporary entry for the purposes of negotiating the sale of goods where such negotiations do not involve direct sales to the general public;

service seller means a national of a Party who is a sales representative of a service supplier of that Party and is seeking temporary entry to the other Party for the purpose of negotiating the sale of services for that service supplier, where such a representative will not be engaged in making direct sales to the general public or in supplying services directly;

short-term service suppliers means persons who:

(a) are employees of a service supplier or an enterprise of a Party not having a commercial presence or investment in the other Party, which has concluded a service contract with a service supplier or an enterprise engaged in substantive business operations in the other Party;

(b) have been employees of the service supplier or enterprise for a time period of not less than one year immediately preceding an application for admission for temporary entry;
(c) are managers, executives or specialists as defined in relation to intra-corporate transferees in a Party's Schedule of Specific Commitments to GATS;
(d) are seeking temporary entry to the other Party for the purpose of providing a service as a professional in the following service sectors on behalf of the service supplier or enterprise which employs them:
    (i) professional services;
    (ii) computer and related services;
    (iii) telecommunication services;
    (iv) financial services; or
    (v) tour guides and translators; and
(e) satisfy any other requirements under the domestic laws and regulations of the other Party to provide such services in the territory of that Party; and

temporary entry means entry into the territory of a Party by a business person of the other Party without the intent to establish permanent residence.

ARTICLE 13.2: GENERAL PRINCIPLES

1. Further to Article 1.2, this Chapter reflects the preferential trading relationship between the Parties, the Parties' mutual desire to facilitate temporary entry on a comparable basis and to establish transparent criteria and procedures for temporary entry, and the need to ensure border security and to protect the domestic labour force and permanent employment in their respective territories.

2. This Chapter shall not apply to measures regarding nationality or citizenship, residence on a permanent basis or employment on a permanent basis**.**

ARTICLE 13.3: GENERAL OBLIGATIONS

1. Each Party shall apply its measures relating to the provisions of this Chapter in accordance with Article 13.2 and, in particular, shall apply expeditiously those measures

so as to avoid unduly impairing or delaying trade in goods or services or conduct of investment activities under this Agreement.

2. The Parties shall endeavour to develop and adopt common definitions and interpretations for the implementation of this Chapter.

3. Nothing in this Chapter shall prevent a Party from applying measures to regulate the entry of business persons into, or their temporary stay in, its territory, including those measures necessary to protect the integrity of its borders, and to ensure the orderly movement of business persons across its borders, provided that such measures are not applied in such a manner as to nullify or impair the commitments made by a Party. The mere requirement of a visa or other document authorising employment shall not be regarded as nullifying or impairing the commitments made by a Party under this Agreement.

ARTICLE 13.4: GRANT OF TEMPORARY ENTRY

1. In accordance with this Chapter and subject to the provisions of Annex 13A and Appendix 13A.1, each Party shall grant temporary entry to business persons who are otherwise qualified for entry under applicable measures relating to public health, safety and national security.

2. A Party may refuse to issue an immigration document authorising employment to a business person where the temporary entry of that person might affect adversely:

(a) the settlement of any labour dispute that is in progress at the place or intended place of employment; or
(b) the employment of any person who is involved in such dispute.

3. When a Party refuses pursuant to paragraph 2 to issue an immigration document authorising employment, it shall:

(a) take measures to allow the business person to be informed in writing of the reasons for the refusal; and
(b) promptly notify the other Party in writing of the reasons for the refusal.

4. Each Party may set any fees for processing applications for temporary entry of business persons in a manner that is consistent with its obligations which are set out in this Chapter.

ARTICLE 13.5: PROVISION OF INFORMATION

Further to Article 19.2, each Party shall:

(a) provide to the other Party such materials as will enable the other Party to become acquainted with its own measures relating to this Chapter; and
(b) no later than six (6) months after the date of entry into force of this Agreement, publish or otherwise make available in its own territory, and in the territory of the other Party, explanatory material regarding the requirements for temporary entry under this Chapter in such a manner as will enable business persons of the other Party to become acquainted with them.

ARTICLE 13.6: DISPUTE SETTLEMENT

1. A Party may not initiate proceedings under Article 20.6 regarding a refusal to grant temporary entry under this Chapter or a particular case arising under Article 13.2 unless:

(a) the matter involves a pattern of practice; and
(b) the business person has exhausted the available administrative remedies regarding the particular matter.

2. The remedies referred to in paragraph 1(b) shall be deemed to be exhausted if a final determination in the matter has not been issued by the competent authority within six (6) months of the institution of an administrative proceeding, and the failure to issue a determination is not attributable to delay caused by the business person.

ARTICLE 13.7: RELATION TO OTHER CHAPTERS

Except for this Chapter, Chapters 1(General Provisions), 2(General Definitions), 20(Dispute Settlement) and 22(Administration and Final Provisions), and Articles 19.2,

19.3 and 19.4, nothing in this Agreement shall impose any obligation on a Party regarding its immigration measures.

ANNEX 13A: TEMPORARY ENTRY OF BUSINESS PERSONS

SECTION 1: BUSINESS VISITORS

1. Each Party shall grant temporary entry to business visitors without requiring that person to obtain an employment authorisation, provided that the business person otherwise complies with existing immigration measures applicable to temporary entry, on presentation of:

(a) proof of nationality, permanent residency or citizenship of a Party;
(b) documentation demonstrating that the business person will be so engaged and describing the purpose of entry; and
(c) evidence demonstrating that the proposed business activity is international in scope and that the business person is not seeking to enter the local labour market.

2. Each Party shall provide that a business person may satisfy the requirements of paragraph 1(c) by demonstrating that:

(a) the primary source of remuneration for the proposed business activity is outside the territory of the Party granting temporary entry; and
(b) the business person's principal place of business and the actual place of accrual of profits, at least predominantly, remain outside such a territory.

3. Neither Party may:

(a) as a condition for temporary entry under paragraph 1, require prior approval procedures, petitions, labour market testing, or other procedures of similar effect; or
(b) impose or maintain any numerical restriction relating to temporary entry under paragraph 1.

SECTION 2: TRADERS AND INVESTORS

1. Each Party shall grant temporary entry and provide confirming documentation to a

business person seeking to:

(a) carry on substantial trade in goods or services principally between the territory of the Party of which the business person is a national and the territory of the other Party into which entry is sought, or
(b) blish, develop, administer or provide advice or key technical services to the operation of an investment to which the business person or the business person's enterprise has committed, or is in the process of committing, a substantial amount of capital,

in a capacity that is supervisory or executive, or involves essential skills, provided that the business person otherwise complies with existing immigration measures applicable to temporary entry.

2. Neither Party may:

(a) as a condition for temporary entry under paragraph 1, require labour market testing, or other procedures of similar effect; or
(b) impose or maintain any numerical restriction relating to temporary entry under paragraph 1.

SECTION 3: INTRA-CORPORATE TRANSFEREES

1. Each Party shall grant temporary entry and provide confirming documentation to a business person employed by a service supplier, investor or enterprise of a Party established in the territory of the other Party through a branch, subsidiary or affiliate thereof, in a capacity that is managerial, executive or involves specialised knowledge, as defined in relation to intra-corporate transferees in a Party's Schedule of Specific Commitments to GATS, provided that the business person otherwise complies with existing immigration measures applicable to temporary entry. A Party may require the business person to have been employed by the enterprise for not less than one (1) year immediately preceding the date of the application for admission.

2. Neither Party may:

(a) as a condition for temporary entry under paragraph 1, require labour market

testing, or other procedures of similar effect; or

(b) impose or maintain any numerical restriction relating to temporary entry under paragraph 1.

APPENDIX 13A.1 : DURATION OF STAY

For Korea:

1. Business visitors who enter Korea under Section I of Annex 13A will be granted a period of stay of up to ninety (90) days.

2. Entry for investors and traders who enter Korea under Section II of Annex 13A will be granted a period of stay of up to two (2) years. The period of stay may be extended for subsequent periods up to a total of eight (8) years provided the conditions on which they are based remain in effect. Further extensions beyond eight (8) years may be possible.

3. Entry for intra-corporate transferees who enter Korea under Section III of Annex 13A will be granted a period of up to two (2) years. The period of stay may be extended for subsequent periods up to a total of eight (8) years provided the conditions on which it is based remain in effect. Further extensions beyond eight (8) years may be possible.

4. Business persons of Singapore who enter Korea under any of the categories set out in Annex 13A may freely enter and leave Korea without re-entry permission during the permitted period of sojourn on the basis of reciprocity.

5. Business persons of Singapore who intend to stay over ninety (90) days in Korea shall register the aliens at the competent immigration office.

For Singapore:

1. Upon arrival, short-term business visitors will be granted a period of stay of up to ninety (90) days.

2. Entry for traders and investors is for a period of up to two (2) years, and the period may be extended for subsequent periods up to a total of eight (8) years provided the conditions on which they are based remain in effect. Further extensions beyond eight (8) years may be possible.

3. Entry for intra-corporate transferees is for a period of up to two (2) years, and the

period may be extended for subsequent periods up to a total of eight (8) years provided the conditions on which they are based remain in effect. Further extensions beyond eight (8) years may be possible.

4. Business persons of Korea who enter Singapore under any of the categories set out in Annex 13A may freely enter and leave Singapore without re-entry permission during the permitted period of sojourn on the basis of reciprocity.

CHAPTER 14
ELECTRONIC COMMERCE

ARTICLE 14.1 : DEFINITIONS

For the purposes of this Chapter:

digital products means computer programmes, text, video, images, sound recordings and other product that are digitally encoded, regardless of whether they are fixed on a carrier medium or transmitted electronically[14-1];

carrier medium means any physical object capable of storing a digital product by any method now known or later developed, and from which a digital product can be perceived, reproduced, or communicated, directly or indirectly, and includes, but is not limited to, an optical medium, a floppy disk, or a magnetic tape;

electronic transmission or **transmitted electronically** means the transfer of digital products using any electromagnetic or photonic means; and

using electronic means employing computer and digital processing.

ARTICLE 14.2 : SCOPE

1. The Parties recognise the economic growth and opportunity provided by electronic commerce the importance of avoiding unnecessary barriers to electronic commerce and the applicability of WTO rules to electronic commerce.

2. This Chapter does not apply to measures affecting the electronic transmission of a series of text, video, images, sound recordings, and other products scheduled by a content provider for aural and/or visual reception, and for which the content consumer has no choice over the scheduling of the series.

[14-1] For greater clarity, digital products do not include digitised representations of financial instruments.

ARTICLE 14.3 : ELECTRONIC SUPPLY OF SERVICES

For greater certainty, the Parties affirm that measures related to the supply of a service using electronic means fall within the scope of the obligations contained in the relevant provisions of Chapters 9 (Cross-Border Trade in Services), 10 (Investment) and 12 (Financial Services), and, subject to any exceptions applicable to such obligations and except where an obligation does not apply to any such measure pursuant to Articles 9.6 and 10.9.

ARTICLE 14.4 : DIGITAL PRODUCTS

1. Each Party shall not apply customs duties or other duties, fees, or charges on or in connection with the importation or exportation of a digital product of the other Party by electronic transmission[14-2].

2. Each Party shall determine the customs value of an imported carrier medium bearing a digital product in accordance with the Customs Valuation Agreement.

3. A Party shall not accord less favourable treatment to a digital product than it accords to other like digital products:

(a) on the basis that:
   (i) the digital product receiving less favourable treatment is created, produced, published, stored, transmitted, contracted for, commissioned, or first made available on commercial terms in the territory of the other Party; or
   (ii) the author, performer, producer, developer, or distributor of such digital product is a person of the other Party,

   or

[14-2] Paragraph 1 does not preclude a Party from imposing internal taxes or other internal charges provided that these are imposed in a manner consistent with this Agreement.

(b) so as otherwise to afford protection to the other like digital products that are created, produced, published, stored, transmitted, contracted for, commissioned, or first made available on commercial terms, in its territory.

4. Paragraph 3 does not apply to any non-conforming measure described in Articles 9.6 and 10.9.

[Date]

Mr. Han-soo Kim
Director General
Free Trade Agreement Bureau
Ministry of Foreign Affairs and Trade
Republic of Korea

Dear Mr. Kim:

I have the honour to refer to the Free Trade Agreement between the government of the Republic of Korea and the government of the Republic of Singapore ("the Agreement") signed at [place] on [date].

Resulting from the above Agreement, I have the honour of confirming the understanding of both Parties that in relation to Chapter 14 (Electronic Commerce) of the Agreement, the Parties may review paragraph 1 of Article 14.4, if there are changes to the WTO Ministerial Decision on this issue.

I would be grateful if you would confirm that the understanding of my Government as stated above is shared by your Government and that this understanding shall be treated as an integral part of the Agreement.

Sincerely,

_____

[Name of Singapore's Representative]
[Title]

[Date]

[Name of Singapore's Representative]
[Title]

Dear Mr./Ms _____:

I have the honour to acknowledge the receipt of your letter dated [Date], which reads as follows:

"I have the honour to refer to the Free Trade Agreement between the government of the Republic of Korea and the government of the Republic of Singapore ("the Agreement") signed at [place] on [date].

Resulting from the above Agreement, I have the honour of confirming the understanding of both Parties that in relation to Chapter 14 (Electronic Commerce) of the Agreement, that the Parties may review paragraph 1 of Article 14.4, if there are changes to the WTO Ministerial Decision on this issue.

I would be grateful if you would confirm that the understanding of my Government as stated above is shared by your Government and that this understanding shall be treated as an integral part of the Agreement."

I have the honour of confirming that this understanding is shared by my Government and that this understanding shall constitute an integral part of the Agreement.

Sincerely,

Mr. Han-soo Kim
Director General
Free Trade Agreement Bureau
Ministry of Foreign Affairs and Trade
Republic of Korea

CHAPTER 15
COMPETITION

ARTICLE 15.1: PURPOSE AND DEFINITIONS

1. The purpose of this Chapter is to contribute to the fulfillment of the objectives of this Agreement through the promotion of fair competition and the curtailment of anti-competitive practices.

2. For the purposes of this Chapter, anti-competitive practices means business conduct or transactions that adversely affect competition, such as:

(a) anti-competitive horizontal arrangements between competitors;
(b) misuse of market power;
(c) anti-competitive vertical arrangements between businesses; and
(d) anti-competitive mergers and acquisitions.

ARTICLE 15.2: PROMOTION OF COMPETITION

1. Each Party shall promote competition by addressing anti-competitive practices in its territory, adopting and enforcing such means or measures as it deems appropriate and effective to counter such practices.

2. Such means and measures may include the implementation of competition and regulatory arrangements.

ARTICLE 15.3: APPLICATION OF COMPETITION LAWS

1. The Parties shall ensure that all businesses registered or incorporated under their respective domestic laws are subject to such generic or relevant sectoral competition laws as may be in force in their respective territories.

2. Any measures taken by a Party to proscribe anti-competitive practices, and the enforcement actions taken pursuant to those measures, shall be consistent with the principles of transparency, timeliness, non-discrimination and procedural fairness.

ARTICLE 15.4: COMPETITIVE NEUTRALITY

1. Each Party shall take reasonable measures to ensure that its government does not provide any competitive advantage to any government-owned businesses in their business activities simply because they are government-owned.

2. This Article applies to the business activities of government-owned businesses and not to their non-business and non-commercial activities.

ARTICLE 15.5: CONSULTATIONS

1. At the request of a Party, the Parties shall enter into consultations regarding matters that may arise under this Chapter, including the elimination of particular anti-competitive practices that affect trade or investment between the Parties.

2. During the consultations under this Article, each Party shall endeavour to provide relevant information to the other Party in order to facilitate the discussion regarding the relevant aspects of the matter which is the subject of consultations.

3. Any information or documents exchanged between the Parties in relation to any mutual consultations under this Chapter shall be kept confidential.

ARTICLE 15.6: CO-OPERATION

1. The Parties recognise the importance of co-operation and co-ordination between their competition authorities for effective competition law enforcement in both Parties.

2. Within six (6) months from the coming into effect of a generic competition law in Singapore, the Parties shall consult with a view to making a separate arrangement between their competition authorities regarding the scope and content of co-operation

and co-ordination.

ARTICLE 15.7: TRANSPARENCY

The Parties shall publish or otherwise make publicly available their laws addressing fair competition, including information on any exemptions provided under such laws.

ARTICLE 15.8: DISPUTE RESOLUTION

1. Nothing in this Chapter permits a Party to re-open, re-examine or to challenge under any dispute settlement procedure under this Agreement, any finding, determination or decision made by a competition authority of the other Party in enforcing the applicable competition laws and regulations.

2. Neither Party shall have recourse to any dispute settlement procedures under this Agreement for any issue arising from or relating to this Chapter.

3. In the event of any inconsistency or conflict between any provision in this Chapter and any provision contained in any other Chapter of this Agreement, the latter shall prevail to the extent of such inconsistency or conflict.

CHAPTER 16
GOVERNMENT PROCUREMENT

ARTICLE 16.1 : GENERAL

1. The Parties reaffirm their rights and obligations under the WTO Agreement on Government Procurement ("GPA") and their interest in further expanding bilateral trading opportunities in each Party's government procurement market.

2. The Parties recognise their shared interest in promoting international liberalisation

of government procurement markets in the context of the rules-based international trading system. The Parties shall continue to co-operate in the review under paragraph 7 of Article XXIV of the GPA and on procurement matters in the APEC and other appropriate international fora.

3. Nothing in this Chapter shall be construed to derogate from either Party's rights or obligations under the GPA.

4. The Parties confirm their desire and determination to apply the APEC Non-Binding Principles on Government Procurement, as appropriate, to all their government procurement that is outside the scope of the GPA and this Chapter.

ARTICLE 16.2 : SCOPE AND COVERAGE

1. This Chapter applies to any law, regulation, procedure or practice regarding any procurement by entities covered by this Chapter, as specified in Appendix 16A.1.

2. For the purpose of this Chapter, a covered government procurement means a procurement:

(a) by an entity specified in a Party's Appendix 16A.1;
(b) by any contractual means, including through such methods as purchase or as lease, rental or hire purchase, with or without option to buy, of goods or services or any combination of goods and services specified in a Party's Appendix 16A.2; and
(c) in which the contract has a value not less than the relevant thresholds set out in Annex 16A.

3. Except as otherwise specified in the Annexes, this Chapter does not cover non-contractual agreements or any form of governmental assistance, including co-operative agreements, grants, loans, equity infusions, guarantees, fiscal incentives, and governmental provision of products and services to persons or governmental authorities not specifically covered under the schedules to this Chapter.

4. In accordance with paragraph 3 of Article III of the GPA, the provisions of this Chapter do not affect the rights and obligations provided for in Chapter 3 (National

Treatment and Market Access for Goods), Chapter 9 (Cross-Border Trade in Services), Chapter 10 (Investment), Chapter 11 (Telecommunications) and Chapter 12 (Financial Services).

ARTICLE 16.3 : INCORPORATION OF GPA PROVISIONS

1. The Parties shall apply the provisions of Articles II-IV, VI-XV, XVI:1, XVIII, XIX:1-4, XX, XXIII, Agreement Notes and Appendices II-IV of the GPA to all covered government procurement. To that end, these Articles, Notes and Appendices of the GPA are incorporated into and made part of this Chapter, *mutatis mutandis*.

2. For the purposes of the incorporation of the GPA under paragraph 1, the term:

(a) **Agreement** in the GPA means "Chapter" except that **countries not Parties to this Agreement** means **non-Parties** and **Party to the Agreement** in GPA Article III:2(b) means **Party**;
(b) **Appendix I** in the GPA means **Annex 16A**;
(c) **Appendix II** in the GPA means **Annex 16B**;
(d) **Annex 1** in the GPA means **Appendix 16A.1 of Schedule 1 of Annex 16A** ;
(e) **Annex 2** in the GPA means **Appendix 16A.1 of Schedule 2 of Annex 16A** ;
(f) **Annex 3** in the GPA means **Appendix 16A.1 of Schedule 3 of Annex 16A** ;
(g) **Annex 4** in the GPA means **Appendix 16A.1 of Schedule 2 of Annex 16A** ;
(h) **Annex 5** in the GPA means **Appendix 16A.1 of Schedule 3 of Annex 16A** ;
(i) **any other Party** in Article III:1(b) of the GPA means **a non-Party**;
(j) "**from other Parties**" in Article IV:1 of the GPA means **from the other Party**;
(k) **among suppliers of other Parties or** in Article VIII of the GPA shall not be incorporated; and
(l) **products** in the GPA means **goods**.

3. Where entities specified in Annex 16A, in the context of procurement covered under this Chapter, require enterprises not included in Annex 16A to award contracts in accordance with particular requirements, Article III of the GPA shall apply *mutatis mutandis* to such requirements.

4. If the GPA is amended or is superseded by another agreement, the Parties shall

amend this Chapter, as appropriate, after consultations.

ARTICLE 16.4 : QUALIFICATION OF SUPPLIERS

Any conditions for participation in tendering procedures shall be limited to those which are essential to ensure the firm's capability to fulfill the contract in question. Any conditions for participation required from suppliers or service providers, including financial guarantees, technical qualifications and information necessary for establishing the financial, commercial and technical capacity of suppliers and service providers, as well as the verification of qualifications, shall be no less favourable to suppliers and service providers of the other Party than to domestic suppliers and service providers. The financial, commercial and technical capacity of a supplier or service provider shall be judged on the basis both of that supplier's or service provider's global business activity as well as of its activity in the territory of the procuring entity, taking due account of the legal relationship between the supply organisations.

ARTICLE 16.5 : INFORMATION TECHNOLOGY AND CO-OPERATION

1. The Parties shall, to the extent possible, endeavour to use electronic means of communication to permit efficient dissemination of information on government procurement, particularly as regards tender opportunities offered by entities, while respecting the principles of transparency and non-discrimination.

2. When each Party publishes a notice inviting interested suppliers to submit tenders for the contract in accordance with Article IX of the GPA, which is incorporated into this Chapter by paragraph 1 of Article 16.3, it will use a single point of access specified in Annex 16B.

3. The Parties shall endeavour to provide each other with technical co-operation and assistance through the exchange of information on the development of their respective government electronic procurement systems.

4. Pursuant to Article IX:8 of the GPA, the procuring entity shall publish a summary notice in one of the official languages of the WTO, namely English, French and Spanish. For the purposes of this Chapter, the Parties shall endeavour to use English as the

language for publishing the notice for each case of intended procurement. The notice shall contain at least the following information:

(a) the subject matter of the contract;
(b) the time limits set for the submission of tenders or an application to be invited to tender; and
(c) the addresses and contacts from which documents relating to the contracts may be requested.

ARTICLE 16.6 : PUBLICATION OF INDICATIVE PROCUREMENT PLANS

Each Party shall encourage its entities to publish, as early as possible in the fiscal year, information regarding the entity's indicative procurement plans in the electronic-procurement portal.

ARTICLE 16.7 : MODIFICATIONS TO COVERAGE

1. Where a Party proposes to make minor amendments, rectifications or other modifications of a purely formal or minor nature to its Appendices to Annex 16A, it shall notify the other Party. Such amendments, rectifications or modifications shall become effective thirty (30) days from the date of notification. The other Party shall not be entitled to compensatory adjustments.

2. Where a Party proposes to make a modification to its Appendices to Annex 16A when the business or commercial operations or functions of any of its entities or part thereof is constituted or established as an enterprise with a legal entity separate and distinct from the government of a Party, regardless of whether or not the government holds any shares or interest in such a legal entity, it shall notify the other Party. The proposed removal of such entity or modification shall become effective thirty (30) days from the date of notification. The other Party shall not be entitled to compensatory adjustments.

3. Where a Party proposes to make a modification for reasons other than those stated in paragraphs 1 and 2, it shall notify the other Party and provide appropriate compensatory adjustments in order to maintain a level of coverage comparable to that

existing prior to the modification. The proposed modification shall become effective thirty (30) days from the date of notification.

ARTICLE 16.8 : TRANSPARENCY

The Parties shall apply all procurement laws, regulations, procedures and practices consistently, fairly and equitably so that their government entities provide transparency to potential suppliers.

ARTICLE 16.9 : CONTACT POINTS

1. Each Party shall designate a contact point to facilitate communications between the Parties on any matter covered by this Chapter.

2. For the purposes of this Chapter, all communications or notifications to or by a Party shall be made through its contact point.

3. For the purposes of this Article, the contact points of the Parties are:

(a) for Korea, the Ministry of Finance and Economy, or its successor; and
(b) for Singapore, the Ministry of Finance, or its successor.

ANNEX 16A : COVERAGE OF GOVERNMENT PROCUREMENT

Appendix 16A.1 : List of Entities

Schedule 1 : Central Government Entities which Procure in Accordance with Chapter 16 (Government Procurement) and its Annexes

1. **Thresholds**

Supplies

Specified in Schedule 1 of Appendix 16A.2
Thresholds SDR 100,000

Services

Services in Schedule 2 of Appendix 16A.2
Thresholds SDR 100,000

Construction Services

Specified in Schedule 3 of Appendix 16A.2
Thresholds SDR 5,000,000

2. Korea's List of Central Government Entities

- Board of Audit and Inspection
- Office of the Prime Minister
- Office for Government Policy Coordination
- Ministry of Gender Equality
- Ministry of Finance and Economy
- Ministry of Planning and Budget
- Financial Supervisory Commission
- Ministry of Unification
- Ministry of Government Administration and Home Affairs
- Civil Service Commission
- Ministry of Science and Technology
- Government Information Agency
- Government Legislation Agency
- Patriots and Veterans Administration Agency
- Ministry of Foreign Affairs and Trade

- Ministry of Justice
- Ministry of National Defense
- Ministry of Education and Human Resources Development
- Ministry of Culture and Tourism
- Cultural Properties Administration
- Ministry of Agriculture and Forestry
- Ministry of Commerce, Industry and Energy
- Ministry of Health and Welfare
- Food and Drug Administration
- Ministry of Labor
- Ministry of Construction and Transportation
- Ministry of Maritime Affairs and Fisheries
- Ministry of Information and Communications
- Ministry of Environment
- Public Procurement Service (limited to purchases for entities in this list only. Regarding procurement for entities in Schedule 2 and Schedule 3 in this list, the coverages and thresholds for such entities thereunder shall be applied.)
- National Tax Service
- Customs Service
- National Statistical Office
- Korea Meteorological Administration
- National Police Agency (except purchases for the purpose of maintaining public order)
- Supreme Public Prosecutors' Office
- Military Manpower Administration
- Rural Development Administration
- Forest Service
- Korean Intellectual Property Office
- Small and Medium Business Administration
- Korea National Railroad Administration (The Korean Government plans to change the NRA into a public corporation, in which case the Korean Government has the right to transfer the NRA from Schedule 1 to Schedule 3 without any consultation and/or compensatory measures.)
- National Maritime Police Agency (except purchases for the purpose of maintaining public order)

3. Singapore's List of Central Government Entities

- Auditor-General's Office
- Attorney-General's Office
- Cabinet Office
- Istana
- Judicature
- Ministry of Transport
- Ministry of Community Development and Sports
- Ministry of Education
- Ministry of Environment
- Ministry of Finance
- Ministry of Foreign Affairs
- Ministry of Health
- Ministry of Home Affairs
- Ministry of Information, Communications and the Arts
- Ministry of Manpower
- Ministry of Law
- Ministry of National Development
- Ministry of Trade and Industry
- Parliament
- Presidential Councils
- Prime Minister's Office
- Public Service Commission
- Ministry of Defence

This Chapter will generally apply to purchases by the Singapore Ministry of Defence of the following FSC categories (others being excluded) subject to the Government of Singapore's determinations under the provision of paragraph 1 of Article XXIII, the GPA.

FSC	Description
22	Railway Equipment
23	Ground Effect Vehicles, Motor Vehicles, Trailers and Cycles
24	Tractors
25	Vehicular Equipment Components
26	Tires and Tubes
29	Engine Accessories

30 Mechanical Power Transmission Equipment
31 Bearings
32 Woodworking Machinery and Equipment
34 Metalworking Machinery
35 Service and Trade Equipment
36 Special Industry Machinery
37 Agricultural Machinery and Equipment
38 Construction, Mining, Excavating and Highway Maintenance Equipment
39 Materials Handling Equipment
40 Rope, Cable, Chain and Fittings
41 Refrigeration, Air Conditioning and Air Circulating Equipment
42 Fire Fighting, Rescue and Safety Equipment
43 Pumps and Compressors
44 Furnace, Steam Plant and Drying Equipment
45 Plumbing, Heating and Sanitation Equipment
46 Water Purification and Sewage Treatment Equipment
47 Pipe, Tubing, Hose and Fittings
48 Valves
51 Hand-tools
52 Measuring Tools
53 Hardware and Abrasives
54 Prefabricated Structures and Scaffolding
55 Lumber, Millwork, Plywood and Veneer
56 Construction and Building Materials
61 Electric Wire, and Power and Distribution Equipment
62 Lighting, Fixtures and Lamps
63 Alarm, Signal and Security Detection Systems
65 Medical, Dental and Veterinary Equipment and Supplies
67 Photographic Equipment
68 Chemicals and Chemical Products
69 Training Aids and Devices
70 General Purpose Automatic Data Processing Equipment, Software, Supplies and Support Equipment
71 Furniture
72 Household and Commercial Furnishings and Appliances
73 Food Preparation and Serving Equipment
74 Office Machines, Text Processing Systems and Visible Record Equipment

75 Office Supplies and Devices
76 Books, Maps and other Publications
77 Musical Instruments, Phonographs and Home-Type Radios
78 Recreational and Athletic Equipment
79 Cleaning Equipment and Supplies
80 Brushes, Paints, Sealers and Adhesives
81 Containers, Packaging and Packing Supplies
83 Textiles, Leather, Furs, Apparel and Shoe Findings, Tents and Flags
84 Clothing, Individual Equipment, and Insignia
85 Toiletries
87 Agricultural Supplies
88 Live Animals
89 Subsistence
91 Fuels, Lubricants, Oils and Waxes
93 Non-metallic Fabricated Materials
94 Non-metallic Crude Materials
95 Metal Bars, Sheets and Shapes
96 Ores, Minerals, and their Primary Products
99 Miscellaneous

4. Notes to Schedule 1 of Appendix 16A.1

For Korea

1. The above central government entities include their subordinate linear organizations, special local administrative organs, and attached organs as prescribed in the Government Organization Act of Korea.

2. Chapter 16 (Government Procurement) and its Annexes do not apply to the products and services procured with a view to sale or to resale or to use in the production of goods or provision of services for sale.

3. Chapter 16 (Government Procurement) and its Annexes do not apply to the single tendering procurement including set-asides for small- and medium-sized businesses according to the Act Relating to Contracts to which the State is a Party and its Presidential Decree, and the procurement of agricultural, fishery and livestock

products according to the Food-grain Management Law, the Law Concerning Marketing and Price Stabilization of Agricultural and Fishery Products, and the Livestock Law.

4. The Defense Logistics Agency shall be considered as part of the Ministry of National Defense. Subject to the decision of the Korean Government under the provisions of paragraph 1, Article XXIII of the GPA, for MND purchases, this Agreement will generally apply to the following FSC categories only, and for services and construction services listed in Schedule 2 and Schedule 3 of Appendix 16A.2, it will apply only to those areas which are not related to national security and defense.

FSC	Description
2510	Vehicular cab, body, and frame structural components
2520	Vehicular power transmission components
2540	Vehicular furniture and accessories
2590	Miscellaneous vehicular components
2610	Tires and tubes, pneumatic, non-aircraft
2910	Engine fuel system components, non-aircraft
2920	Engine electrical system components, non-aircraft
2930	Engine cooling system components, non-aircraft
2940	Engine air and oil filters, strainers and cleaners, non-aircraft
2990	Miscellaneous engine accessories, non-aircraft
3020	Gears, pulleys, sprockets and transmission chain
3416	Lathes
3417	Milling machines
3510	Laundry and dry cleaning equipment
4110	Refrigeration equipment
4230	Decontaminating and impregnating equipment
4520	Space heating equipment and domestic water heaters
4940	Miscellaneous maintenance and repair shop specialized equipment
5120	Hand tools, non-edged, non-powered
5410	Prefabricated and portable buildings
5530	Plywood and veneer
5660	Fencing, fences and gates
5945	Relays and solenoids
5965	Headsets, handsets, microphones and speakers

5985 Antennae, waveguide, and related equipment
5995 Cable, cord, and wire assemblies: communication equipment
6505 Drugs and biologicals
6220 Electric vehicular lights and fixtures
6840 Pest control agents disinfectants
6850 Miscellaneous chemical, specialties
7310 Food cooking, baking, and serving equipment
7320 Kitchen equipment and appliances
7330 Kitchen hand tools and utensils
7350 Table ware
7360 Sets, kits, outfits, and modules food preparation and serving
7530 Stationery and record forms
7920 Brooms, brushes, mops, and sponges
7930 Cleaning and polishing compounds and preparations
8110 Drums and cans
9150 Oils and greases: cutting, lubricating, and hydraulic
9310 Paper and paperboard

For Singapore

1. Chapter 16 (Government Procurement) and its Annexes shall not apply to any procurement in respect of:

(a) construction contracts for chanceries abroad and headquarters buildings made by the Ministry of Foreign Affairs; and

(b) contracts made by the Internal Security Department, Criminal Investigation Department, Security Branch and Central Narcotics Bureau of the Ministry of Home Affairs as well as procurement that have security considerations made by the Ministry.

2. Chapter 16 (Government Procurement) and its Annexes shall not apply to any procurement made by a covered entity on behalf of a non-covered entity.

Schedule 2 : Sub-Central Government Entities which Procure in Accordance with Chapter 16 (Government Procurement) and its Annexes

1. **Thresholds**

Supplies

Specified in Schedule 1 of Appendix 16A.2
Thresholds SDR 200,000

Services

Services in Schedule 2 of Appendix 16A.2
Thresholds SDR 200,000

Construction Services

Specified in Schedule 3 of Appendix 16A.2

The current GPA thresholds for construction services will be maintained as an interim measure until the matter on the common thresholds has been resolved at the review meeting provided in this Agreement provided under Article 22.1. At this meeting, the WTO GPA revision on the thresholds may be considered.

2. Korea's List of Sub-Central Government Entities

- Seoul Metropolitan Government
- City of Busan
- City of Daegu
- City of Incheon
- City of Gwangju
- City of Daejon
- Kyonggi-do
- Gangwon-do
- Chungcheongbuk-do
- Chungcheongnam-do
- Gyeongsangbuk-do
- Gyeongsangnam-do
- Jeollabuk-do
- Jeollanam-do
- Jeju-do

3. Singapore's List of Sub-Central Government Entities

Not applicable for Singapore (Singapore does not have any Sub-Central Government)

4. Notes to Schedule 2 of Appendix I

For Korea

1. The above sub-central administrative government entities include their subordinate organizations under direct control and offices as prescribed in the Local Autonomy Law of the Republic of Korea.

2. Chapter 16 (Government Procurement) and its Annexes do not apply to the products and services procured with a view to sale or to resale or to use in the production of goods or provision of services for sale.

3. Chapter 16 (Government Procurement) and its Annexes do not apply to the single tendering procurement including set-asides for small-and-medium-sized businesses according to the Local Finance Law and its Presidential Decree.

Schedule 3 : All other Entities which Procure in Accordance with the Provisions of Chapter 16 (Government Procurement) and its Annexes

1. **Thresholds**

Supplies

Specified in Schedule 1 of Appendix 16A.2
Thresholds SDR 400,000

Services

Specified in Schedule 2 of Appendix 16A.2

The current GPA position for the services and services' thresholds of Schedule 3 entities will be maintained as an interim measure until the services and services'

thresholds matter on Schedule 3 entities have been resolved at the review meeting of this Agreement provided under Article 22.1. At this meeting, the WTO-GPA revision on the thresholds may be considered.

Construction Services
Specified in Schedule 3 of Appendix 16A.2

The current GPA thresholds for construction services will be maintained as an interim measure until the matter on the common thresholds has been resolved at the review meeting of this Agreement provided under Article 22.1. At this meeting, the WTO GPA revision on the thresholds may be considered.

2. Korea's List of All Other Entities

- Korea Development Bank
- Industrial Bank of Korea
- Korea Minting and Security Printing Corporation
- Korea Electric Power Corporation (except purchases of products in the categories of HS Nos. 8504, 8535, 8537 and 8544)
- Korea Coal Corporation
- Korea Resources Corporation
- Korea National Oil Corporation
- Korea General Chemical Corporation
- Korea Trade-Investment Promotion Agency
- Korea Highway Corporation
- Korea National Housing Corporation
- Korea Water Resources Corporation
- Korea Land Corporation
- Korea Agriculture and Rural Infrastructure Corporation
- Agricultural and Fishery Marketing Corporation
- Korea National Tourism Organization
- Korea Labor Welfare Corporation
- Korea Gas Corporation
- *Korea Telecom (except purchases of common telecommunications commodity products and telecommunications network equipment)

* Korea has applied to remove this entity at the WTO-GPA level. When the entity has

been removed at WTO GPA level, it would also be removed from the list in this Annex.

3. Singapore's All Other Entities

- Agency for Science, Technology and Research
- Board of Architects
- Civil Aviation Authority of Singapore
- Building and Construction Authority
- Economic Development Board
- Housing and Development Board
- Info–communications Development Authority of Singapore
- Inland Revenue Authority of Singapore
- International Enterprise Singapore
- Land Transport Authority of Singapore
- Jurong Town Corporation
- Maritime and Port Authority of Singapore
- Monetary Authority of Singapore
- Nanyang Technological University
- National Parks Board
- National University of Singapore
- Preservation of Monuments Board
- Professional Engineers Board
- Public Transport Council
- Sentosa Development Corporation
- Singapore Broadcasting Authority
- Singapore Tourism Board
- Standards, Productivity and Innovation Board
- Urban Redevelopment Authority

4. Notes to Schedule 3 of Appendix 16A.1

For Korea

1. Chapter 16 (Government Procurement) and its Annexes do not apply to the single tendering procurement including set-asides for small- and medium-sized businesses according to the Government Invested Enterprise Management Law and Accounting

Regulations on Government Invested Enterprise.

2. Chapter 16 (Government Procurement) and its Annexes do not apply to the products and services procured with a view to sale or to resale or to use in the production of goods or provision of services for sale.

For Singapore

1. Chapter 16 (Government Procurement) and its Annexes shall not apply to any procurement made by a covered entity on behalf of a non-covered entity.

Appendix 16A.2 : Scope of Supplies, Services and Construction Services

Schedule 1 : Supplies

1. For Korea

Subject to the General Notes to Korea in the GPA, Chapter 16 (Government Procurement) and its Annexes apply to all supplies covered unless otherwise specified in Schedules 1 through 3 of Appendix 16A.1.

2. For Singapore

This Chapter applies to all goods covered under Singapore's Appendix I, unless otherwise specified in Schedules 1 through 3 of Appendix 16A.1.

Schedule 2 : Services (other than construction services)

1. For Korea

Chapter 16 (Government Procurement) and its Annexes apply to the following services of the Universal List of Services, as contained in document MTN.GNS/W/120 (other services are to be excluded):

GNS/W/120	CPC	Description
1.A.b.	862	Accounting, auditing and bookkeeping services
1.A.c.	863	Taxation services
1.A.d.	8671	Architectural services
1.A.e.	8672	Engineering services
1.A.f.	8673	Integrated engineering services
1.A.g.	8674	Urban planning and landscape architectural services
1.B.a.	841	Consultancy services related to the installation of computer hardware
1.B.b.	842	Software implementation services
1.B.c.	843	Data processing services
1.B.d.	844	Data base services
1.B.e.	845	Maintenance and repair services of office machinery and equipment (including computers)
1.E.a.	83013	Rental/leasing services without operators relating to ships
1.E.b.	83104	Rental/leasing services without operators relating to aircraft
1.E.c.	83101, 83105*	Rental/leasing services without operators relating to other transport equipment (only passenger vehicles for less than fifteen passengers)
1.E.d.	83106, 83108, 83109	Rental/leasing services without operators relating to other machinery and equipment
	87107	Rental/leasing services without operator relating to construction machinery and equipment
1.F.a.	8711, 8719	Advertising agency services
1.F.b.	864	Market research and public opinion polling services
1.F.c.	865	Management consulting services

GNS/W/120	CPC	Description
1.F.d.	86601	Project management services
1.F.e.	86761*	Composition and purity testing and analysis services (only inspection, testing and analysis services of air, water, noise level and vibration level)
	86764	Technical inspection services
1.F.f.	8811*, 8812*	Consulting services relating to agriculture and animal husbandry
	8814*	Services incidental to forestry (excluding aerial fire fighting and disinfection)
1.F.g.	882*	Consulting services relating to fishing
1.F.h.	883*	Consulting services relating to mining
1.F.m.	86751, 86752	Related scientific and technical consulting services
1.F.n.	633, 8861 8862, 8863 8864, 8865 8866	Maintenance and repair of equipment
1.F.p.	875	Photographic services
1.F.q.	876	Packaging services
1.F.r.	88442*	Printing (screen printing, gravure printing, and services relating to printing)
1.F.s.	87909*	- Stenography services - Convention agency services
1.F.t.	87905	Translation and interpretation services
2.C.j.	7523*	On-line information and data-base retrieval
2.C.k.	7523*	Electronic data interchange
2.C.l.	7523*	Enhanced/value-added facsimile services including store and forward, store and retrieve
2.C.m.	-	Code and protocol conversion
2.C.n.	843*	On-line information and/or data processing (including transaction processing)
2.D.a.	96112*, 96113*	Motion picture and video tape production and distribution services (excluding those services for cable TV broadcasting)
2.D.e.	-	Record production and distribution services (sound recording)
6.A.	9401*	Refuse water disposal services (only collection and

GNS/W/120	CPC	Description
		treatment services of industrial waste water)
6.B.	9402*	Industrial refuse disposal services (only collection, transport, and disposal services of industrial refuse)
6.D.	9404*, 9405*	Cleaning services of exhaust gases and noise abatement services (services other than construction work services)
	9406*, 9409*	Environmental testing and assessment services (only environmental impact assessment services)
11.A.b.	7212*	International transport, excluding cabotage
11.A.d.	8868*	Maintenance and repair of vessels
11.F.b.	71233*	Transportation of containerized freight, excluding cabotage
11.H.c	748*	Freight transport agency services - Maritime agency services - Maritime freight forwarding services - Shipping brokerage services - Air cargo transport agency services - Customs clearance services
11.I.	-	Freight forwarding for rail transport

Note to Korean Schedule 2 of Appendix 16A.2.

Asterisks (*) designate "part of" as described in detail in the Revised Conditional Offer of the Republic of Korea Concerning Initial Commitments on Trade in Services.

2. For Singapore

The following services as contained in document MTN.GNS/W/120 are offered (others being excluded):

CPC	Description
641-643	Hotels and Restaurants (incl. catering)
7523	Electronic Mail
7523	Voice Mail
7523	On-Line Information and Database Retrieval
7523	Electronic Data Interchange
74710	Travel Agencies and Tour Operators

7472	Tourist Guide Services
7512	Courier Services
84100	Consultancy Services Related to the Installation of Computer Hardware
84210	Systems and Software Consulting Services
843	Data Processing Services
844	Database Services
862	Accounting, Auditing and Book-keeping Services
865	Management Consulting Services
8671	Architectural Services
8672	Engineering Services
874	Building-Cleaning Services
87905	Translation and Interpretation Services
932	Veterinary Services
96112	Motion Picture or Video Tape Production Services
96113	Motion Picture or Video Tape Distribution Services
96121	Motion Picture Projection Services
96122	Video Tape Projection Services
96311	Library Services
-	Biotechnology Services
-	Commercial Market Research
-	Exhibition Services
-	Interior Design Services, Excluding Architecture
-	Professional, Advisory and Consulting Services relating to Agriculture, Forestry, Fishing and Mining, Including Oilfield Services

Note to Singapore's Schedule 2 of Appendix 16A.2

The offer regarding services is subject to the limitations and conditions specified in the Government of Singapore's offer under the GATS negotiations.

Schedule 3 : Construction Services

1. For Korea

Chapter 16 (Government Procurement) and its Annexes apply to the following construction services of the Division 51 of the Central Product Classification (other services are to be excluded).

List of construction services offered:

CPC	Description
511	Pre-erection work at construction sites
512	Construction work for buildings
513	Construction work for civil engineering
514	Assembly and erection of prefabricated construction
515	Special trade construction work
516	Installation work
517	Building completion and finishing work

2. For Singapore

The following construction services in the sense of Division 51 of the Central Product Classification as contained in document MTN.GNS/W/120 are offered (others being excluded):

CPC	Description
512	General construction work for buildings
513	General construction work for civil engineering
514, 516	Installation and assembly work
517	Building completion and finishing work
511, 515, 518	Others

Note to Singapore's Annex 3 of Appendix 16A.2

1. The offer regarding construction services is subject to the limitations and conditions specified in the Government of Singapore's offer under the GATS negotiations.

Appendix 16A.3 : General Notes

NIL

Annex 16B : Government Procurement Implementation

Appendix 16B.1 : Means of Publication

(Referred to in paragraph 2 of Article 16.5)

For Korea

Korean Electronic Government Procurement System (http://www.g2b.go.kr)

For Singapore

The Government Electronic Business (GeBIZ) (http://www.gebiz.gov.sg)

Appendix 16B.2 : Dispute Settlement Body

(Referred to in Article 16.3)

For Korea

International Contract Dispute Mediation Committee

For Singapore

Government Procurement Tribunal – the tribunal for settling disputes between a supplier and an entity

CHAPTER 17
INTELLECTUAL PROPERTY RIGHTS

ARTICLE 17.1 : DEFINITION

For the purposes of this Chapter:

intellectual property rights refer to copyright and related rights, trademarks, geographical indications, industrial designs, patents, layout-designs (topographies) of integrated circuits and rights in undisclosed information;

TRIPS Agreement means the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights;

PCT means the Patent Cooperation Treaty administered by the World Intellectual Property Organization;

ISA and **IPEA** means the International Searching Authority and the International Preliminary Examining Authority, respectively, under the PCT;

IPOS means the Intellectual Property Office of Singapore; and

KIPO means the Korean Intellectual Property Office.

ARTICLE 17.2 : GENERAL OBLIGATIONS

Each Party re-affirms its obligations under the TRIPS Agreement, and, in accordance with the TRIPS Agreement, shall provide adequate and effective protection of intellectual property rights to the nationals of the other Party in its territory.

ARTICLE 17.3 : ENFORCEMENT

The Parties shall, consistent with the TRIPS Agreement, provide for the enforcement of intellectual property rights in their respective laws.

ARTICLE 17.4 : MORE EXTENSIVE PROTECTION

Each Party may implement in its domestic laws more extensive protection of intellectual property rights than is required under this Agreement, provided that such protection is not inconsistent with this Agreement and the TRIPS Agreement.

ARTICLE 17.5 : CO-OPERATION IN THE FIELD OF INTELLECTUAL PROPERTY

1. The Parties, recognising the growing importance of intellectual property rights as a factor of social, economic and cultural development, shall enhance their co-operation in the field of intellectual property.

2. The Parties, pursuant to paragraph 1, may co-operate in the following areas:

(a) international search and international preliminary examination under PCT and facilitation of international patenting process;
(b) promotion of mutual understanding of the other Party's intellectual property policies, activities, and experiences thereof;
(c) promotion of education and awareness of intellectual property;
(d) patent technology, licensing, and market intelligence; and
(e) plant variety protection including exchange of technical expertise and knowledge.

ARTICLE 17.6 : DESIGNATION OF KIPO AS AN ISA AND IPEA UNDER PCT

1. Singapore shall designate KIPO as an ISA and IPEA under the PCT for international applications received by IPOS insofar as these applications are submitted in the English language.

2. Within three (3) months from the date of the signature of this Agreement, KIPO and IPOS shall conclude a Working Agreement for the detailed procedures in relation to the designation of KIPO as an ISA and IPEA as mentioned in paragraph 1.

ARTICLE 17.7 : FACILITATION OF PATENTING PROCESS

Singapore shall designate KIPO as a prescribed patent office in accordance with the Patents Act (Cap. 221) of Singapore and the regulations made thereunder for the purpose of facilitating the patent process of a patent application filed in Singapore that corresponds to a patent application filed in Korea, where the applicant for that patent application filed in Singapore provides IPOS with the necessary information, documents and translation on that corresponding application filed in Korea, as required by the Patents Act and the regulations thereunder.

ARTICLE 17.8 : PROMOTION OF EDUCATION AND AWARENESS OF INTELLECTUAL PROPERTY

The Parties may jointly undertake education, workshops, and fairs in the field of intellectual property for the purposes of contributing to a better understanding of each other's intellectual property policies and experiences.

ARTICLE 17.9 : JOINT COMMITTEE ON INTELLECTUAL PROPERTY

1. For the purpose of effective implementation of this Chapter, a Joint Committee on Intellectual Property ("the IP Joint Committee") shall be established. The functions of the IP Joint Committee may include:

(a) overseeing and reviewing the Parties' co-operation under this Chapter;
(b) providing advice with regard to the Parties' co-operation under this Chapter;
(c) considering and recommending new areas of co-operation on matters covered by this Chapter; and
(d) discussing other issues related to intellectual property.

2. The IP Joint Committee shall be co-chaired by senior officials from both KIPO and IPOS. The composition of the IP Joint Committee shall be decided in consultation with the co-chairs, subject to mutual agreement between the Parties. The IP Joint Committee may meet at the same time as when the Parties meet for the review under Article 22.1.

CHAPTER 18
CO-OPERATION

ARTICLE 18.1: NON-APPLICATION OF DISPUTE SETTLEMENT PROVISIONS

Chapter 20 (Dispute Settlement) shall not apply to any matter or dispute arising under this Chapter.

ARTICLE 18.2: INFORMATION AND COMMUNICATIONS TECHNOLOGY

Co-operation in the Field of Information and Communications Technology

1. The Parties, recognising the rapid development, led by the private sector, of Information and Communications Technology ("ICT") and of business practices concerning ICT-related services both in the domestic and the international contexts, shall co-operate to promote the development of ICT and ICT-related services with a view to obtaining the maximum benefit of the use of ICT for the Parties.

Forms and Areas of Co-operation

2. The forms of co-operation pursuant to paragraph 1 may include the following:

(a) promoting dialogue on policy issues;
(b) promoting co-operation between the private sectors of the Parties;
(c) enhancing co-operation in international fora relating to ICT; and
(d) undertaking other appropriate co-operative activities.

3. The areas of co-operation pursuant to paragraph 1 may include the following:

(a) inter-operability of Public Key Infrastructure ("PKI");
(b) development, processing, management, distribution and trade of digital contents;
(c) business opportunities in third markets; and
(d) cross-recognition of professional ICT certification.

ARTICLE 18.3: ELECTRONIC COMMERCE

1. The Parties shall encourage co-operation in research and training activities that would enhance the development of electronic commerce, including by sharing best practices on electronic commerce development.

2. Each Party shall maintain domestic legislation for electronic authentication that permits Parties to an electronic transaction to:

(a) determine the appropriate authentication technologies and implementation models for their electronic transaction, without limiting the recognition of technologies and implementation models; and
(b) have the opportunity to prove in court that their electronic transaction complies with any legal requirement.

3. The Parties shall work towards mutual recognition of digital certificates through a cross-recognition framework at government level based on internationally accepted standards.

4. The Parties shall encourage the inter-operability of digital certificates in the business sector.

ARTICLE 18.4: SCIENCE & TECHNOLOGY

1. The Parties, recognising the importance of science and technology in their respective economies, shall develop and promote co-operative activities in the field of science and technology.

2. The Parties shall encourage, where appropriate, the co-operative activities between the private sectors of the Parties in the field of science and technology.

3. The co-operation under this Article may include the following forms:
(a) exchange of scientists, researchers, technicians and experts;
(b) exchange of documentation and information of a scientific and technological nature;

(c) joint organisation of seminars, symposia, conferences and other scientific and technological meetings;
(d) implementation of joint research and development activities in fields of mutual interest as well as exchange of the results of such research and development activities;
(e) co-operation in the commercialisation of the results of scientific and technological activities; and
(f) any other form of scientific and technological co-operation agreed upon by the Parties.

4. The co-operation under this Article may include the following areas:

(a) biotechnology;
(b) nanotechnology;
(c) electronics;
(d) microelectronics;
(e) new materials;
(f) information technology;
(g) manufacturing technology;
(h) environmental technology; and
(i) science and technology ("S&T") policy and research and development ("R&D") systems.

ARTICLE 18.5: FINANCIAL SERVICES

Regulatory Co-operation

1. The Parties shall promote regulatory co-operation in the field of financial services, with a view to:

(a) implementing sound prudential policies, and enhancing effective supervision of financial institutions of either Party operating in the territory of the other Party;
(b) responding properly to issues relating to globalisation in financial services, including those provided by electronic means;
(c) maintaining an environment that does not stifle legitimate financial market

innovations; and

(d) conducting oversight of global financial institutions to minimise systemic risks and to limit contagion effects in the event of crisis.

2. As a part of the regulatory co-operation set out in paragraph 1, the Parties shall, in accordance with their respective laws and regulations, co-operate in sharing information on their respective securities markets and securities derivatives markets, for the purpose of contributing to the effective enforcement of the securities laws of each Party. In this connection, the regulatory agencies of each Party shall be encouraged to formalise information sharing arrangement on securities markets and securities derivatives markets through a memorandum of understanding.

3. Articles 12.5, 12.8, 12.12 and 12.13 shall not apply to the co-operation between the Parties as set out in paragraph 2.

Capital Market Development

4. The Parties, recognising a growing need to enhance the competitiveness of their capital markets and to preserve and strengthen their stability in rapidly evolving global financial transactions, shall co-operate in facilitating the development of the capital markets of the Parties with a view to fostering sound and progressive capital markets and improving their depth and liquidity. The Parties shall, in accordance with their respective laws and regulations, give consideration to the implementation of linkage of exchanges located within the territories of the Parties, if both Parties determine that commercial interest exists for such linkage.

ARTICLE 18.6: TRADE AND INVESTMENT PROMOTION

1. The Parties shall co-operate in promoting trade and investment activities by private enterprises of the Parties, recognising that efforts of the Parties to facilitate exchange and collaboration between private enterprises of the Parties will act as a catalyst to promote trade and investment between the Parties and furthermore in Asia.

2. The Parties recognise that certain co-operation between parties, one or both of whom are entities in their respective territories other than the governments of the Parties, could contribute to trade and investment promotion between the Parties. Such co-

operation shall be specified in Section 1 of Annex 18A.

3. The Parties shall review the co-operation set forth in paragraph 1 and, where appropriate, recommend ways or areas of further co-operation between the parties to such co-operation.

ARTICLE 18.7: PAPERLESS TRADING

1. The Parties shall co-operate with a view to realising and promoting paperless trading between the Parties, on the basis of the knowledge that paperless trading greatly contributes to the promotion of trade between the Parties.

2. The Parties shall exchange views and information to study the development of paperless trading for a domestic electronic environment that enables the cross-border transaction between the Parties.

3. The Parties shall encourage their relevant public and private entities to co-operate on the activities related to paperless trading. Such activities may include:

(a) the establishment and operation of facilities to provide paperless trading between the enterprises and their respective governments of the Parties;
(b) the joint studies on how to use and exchange electronic trade-related information and electronic documents and on possible action for standardisation and establishment of legal infrastructure; and
(c) the execution of the feasible pilot projects, including the electronic transmission of the trade-related documents, such as invoice, packing list and certification of origin.

ARTICLE 18.8: BROADCASTING

1. The Parties, recognising the importance of broadcasting as a means for promoting cultural exchanges and understanding and the rapid development of broadcasting technology and innovative broadcasting services, will encourage co-operation in the field of broadcasting between the Parties.

2. The scope, form and other details relating to the co-operation in the field of broadcasting will be specified in Section 2 of Annex 18A.

ARTICLE 18.9: ENVIRONMENT

Desiring to promote closer co-operation between interested organisations and industries of the Parties in the field of CNG technologies and applications to environmental protection, the Parties have concluded a Memorandum of Understanding to facilitate such co-operation.

ARTICLE 18.10: HUMAN RESOURCES MANAGEMENT AND DEVELOPMENT

1. The Parties, recognising that sustainable economic growth and prosperity largely depend on people's knowledge and skills, shall develop co-operation between the Parties and encourage mutually beneficial co-operation between parties, one or both of whom are entities in their respective territories other than the governments of the Parties, in the field of human resource development. Such co-operation activities may include the following:

(a) exchange of government officials -

the Parties shall promote exchanges of their government officials with a view to enhancing mutual understanding of the policies of their respective governments and the details of such exchanges of such government officials shall be specified in Section 3 of Annex 18A;

(b) co-operation between educational institutions -

the Parties shall facilitate the launch of double degree programmes between higher educational institutions of the Parties, such as in the area of digital media technology;

(c) third country training programme -

the Parties re-affirm the importance of the Parties' Third Country Training Programme ("TCTP") in jointly rendering meaningful and productive technical assistance to third countries, in particular, in developing their social and economic resources and in recognition of the importance of the TCTP and its role in bringing the Parties' bilateral relations to a higher level, the Parties shall make effort to increase the current level of co-operation in the TCTP;

(d) ageing population -

the Parties shall exchange views and experiences on policy issues concerning an ageing population; and

(e) people developer -

the Parties shall promote the exchange of views and experiences on people developer between the Parties.

ARTICLE 18.11: MARITIME TRANSPORT

1. The Parties, acknowledging the importance of maritime transport in their respective economies, shall develop and promote co-operative activities in the field of maritime transport. Such co-operative activities may include the following:

(a) exchange of maritime simulation instructors/assessors and Certificate of Competency ("CoC") examiners through study visits to learn how each Party uses simulators for their respective CoC training and other maritime applications; and
(b) development of a low-cost Automatic Identification System for marine applications such as fleet management for non-SOLAS vessels, monitoring of aids to navigation and monitoring of dumping activities at sea.

2. The Parties shall conduct consultation on specifying the co-operative activities and additional maritime co-operation in accordance with the Agreement on Maritime

Transport between the Government of the Republic of Korea and the Government of the Republic of Singapore, signed on May 26,1981.

ARTICLE 18.12: ENERGY

1. The Parties, recognising the importance of energy in the respective economies, shall develop and promote co-operative activities in the field of energy.

2. The co-operation may include the following forms:

(a) facilitation of co-operation between the private sectors of both Parties for the purpose of oil/gas exploration;
(b) facilitation of co-operation between research institutes, and universities of both Parties for the purpose of engaging in joint R&D projects; and
(c) exchange of information and sharing experiences in the fields of electricity and gas restructuring efforts, through study visits or such other activities as mutually agreed upon by the implementing authorities.

ARTICLE 18.13: FILM PRODUCTION

1. The Parties, recognising the importance of the co-production of films in developing and expanding the film industries of both Parties and the potential for such co-productions to promote understanding and cultural exchanges between the Parties, shall promote co-operation in this area.

2. The scope, form and other details relating to the co-operation in the area of film production will be specified in the Section 4 of Annex 18A.

ARTICLE 18.14: GAMING AND ANIMATION

The Parties, recognising both the potential of the gaming and animation industries as means for promoting understanding between the Parties and the rapid development of innovative media services, shall promote co-operation in this area between the Parties.

ANNEX 18A: CO-OPERATION

SECTION 1 : TRADE AND INVESTMENT PROMOTION

1. The co-operation between the Korea Trade-Investment Promotion Agency ("KOTRA") and the International Enterprise Singapore Board ("IE Singapore"), is to be conducted pursuant to Article 18.6 and the arrangement between KOTRA and IE Singapore. Such co-operation between KOTRA and IE Singapore shall include the following:

(a) joint organisation of industry specific business missions and activities which are focused on mutually agreed high growth sectors, including but not limited to, the info-communications technology, electronics, automotive, food & beverage and the logistics sectors;
(b) electronically linking the online business matching databases of the Parties to bring together companies keen on establishing business ties with each other;
(c) facilitation of Korean enterprises to explore new markets in the region through Singapore and business collaboration with Singaporean companies by setting up a Korean Business Support Centre in Singapore, and subject to there being sufficient demand and interest by Singaporean companies, Singapore will establish a Business Center in Korea; and
(d) using all reasonable efforts to encourage each Party's companies to participate in exhibitions organised by the other Party, in particular if the exhibitions pertain to sectors which the Party is actively promoting in its country.

2. The Parties shall, where appropriate, facilitate such co-operation between KOTRA and IE Singapore.

3. The Parties shall, where appropriate, facilitate co-operation between the Korea Export Insurance Corporation ("KEIC") and Export Credit Insurance Corporation of Singapore ("ECICS") in the areas including, but not limited to, export credit insurance.

SECTION 2 : BROADCASTING CO-OPERATION

1. The co-operation between the Korean Broadcasting Commission("KBC") and the Media Development Authority of Singapore ("MDA"), hereinafter referred to as "the Sides", is to be conducted pursuant to Article 18.8 and an arrangement between KBC and MDA.

2. On the condition that the co-operation comes within the areas of competence of both Sides, the Sides are determined to focus on co-operation, which shall include, but are not limited to the following areas:

(a) exchanges of views and information on broadcast policy issues, such as digital broadcasting and content regulation;
(b) co-operation in the development of broadcast contents such as exchanging views and information on frameworks to promote private sector activities, learning from each other's experiences in digital broadcast contents, and co-producing television programmes;
(c) subject to the laws and regulations governing the Parties' broadcast sectors, facilitation of exchanges among broadcasters to promote co-operation, for example, with regards to news and current affairs programmes;
(d) promotion of exchanges aimed at the education and training of broadcast executives;
(e) facilitation of industry co-operation in areas such as co-production of television, or digital media and research and development of cutting-edge broadcast technologies;
(f) support in marketing the Parties' broadcast contents globally, and promoting the exhibit of the Parties' television programmes through platforms such as the Broadcast World Wide in Korea and the Asia Media Festival in Singapore;
(g) co-ordination of visits, including attendance at broadcast-related event; and
(h) encouraging the re-transmission of Korean television channels in Singapore and vice versa.

3. Broadcasting co-operation between the Parties may take the following forms under the condition that such scope of co-operation comes within the areas of competence of both Sides:

(a) the exchange of views and information through established channels of communication;
(b) broadcast-related visits;
(c) the encouragement of alliances between industrial organisations; and
(d) other forms of co-operation as may be agreed in writing by the Parties.

SECTION 3: PROGRAMME FOR THE EXCHANGE OF GOVERNMENT OFFICIALS

1. Pursuant to Article 18.10, the Parties shall conduct a programme for the exchange of their officials ("the Programme") with a view to enhancing mutual understanding of their policies.

2. The Programme shall be conducted in accordance with the following:

(a) a government agency of a Party ("the Sending Agency") shall select its official to participate in the Programme ("the Official"), and shall notify, through the diplomatic channel, that it intends to send the Official to its counterpart agency of the other Party ("the Host Agency");
(b) the Host Agency shall, through the diplomatic channel, indicate its position regarding the participation of the Official in the Programme. The Sending Agency and the Host Agency shall decide by mutual consent whether the Official participates in the Programme;
(c) the Sending Agency and the Host Agency shall consult, through the diplomatic channel, on necessary details for the participation of the Official in the Programme, including the starting date and duration, taking into account paragraphs 3 and 4; and
(d) subject to mutually agreed conditions, the Official shall participate in the Programme.

3. The sending Party shall take necessary measures to oblige the Official to comply with the following conditions:

(a) to comply with relevant laws and regulations of the host Party, and not to act, without legitimate reasons, in a manner inconsistent with relevant instructions by the Host Agency as to his or her activities therein;

(b) not to engage in intelligence-related activities on behalf of any Party when participating in the Programme; and

(c) not to reveal any information that the Host Agency advises the Official as classified.

4. Before sending the Official to the host Party, the Sending Agency shall send to the Host Agency through the diplomatic channel, a document signed by the Official, stating the Official's consent to comply with the conditions set out in (a), (b) and (c) of paragraph 3. Non-compliance with the above conditions may be grounds for termination of the participation of the Official in the Programme.

5. The host Party is not responsible for salaries and benefits for the Official and any other necessary expenditure of the Official, including travel expenses and living costs.

6. The Host Agency shall make best efforts to ensure appropriate placement for the Official in the Host Agency consistent with the same subject matter that the Official is concerned with in the Sending Agency, and to place him or her in an office environment with colleagues of the Host Agency, taking into account such factors as the Official's language ability, interest, expertise and background knowledge, as well as the Host Agency's requirement to maintain confidentiality of certain information.

7. The host Party shall grant the Official appropriate visas or working permits, where necessary, so that the Programme will be fulfilled as expeditiously and conveniently as possible.

8. The Parties shall evaluate the implementation of the Programme and this Annex as appropriate and necessary.

9. A Party shall consult, as necessary, with the other Party in respect of any matter that may arise from, or in connection with, the implementation of this Annex.

SECTION 4 : CO-OPERATION IN FILM PRODUCTION

1. The co-operation between the Korean Film Commission ("KOFIC") and the Media Development Authority of Singapore ("MDA"), shall be conducted pursuant to Article 18.13 and an arrangement to be entered into between them. Such co-operation

between KOFIC and MDA shall include:

(a) encouraging and facilitating the co-production of films by producers from each Party's film industry;
(b) supporting the distribution of co-produced films in each Party's territory;
(c) encouraging and facilitating training and attachment opportunities for each Party's media students, teachers and professionals in the other Party's territory; and
(d) encouraging and facilitating opportunities to showcase films of one Party during film festivals held in the other Party's territory and opportunities for cultural exchanges during such festivals.

CHAPTER 19
TRANSPARENCY

ARTICLE 19.1 : DEFINITIONS

For the purposes of this Chapter:

administrative ruling of general application means an administrative ruling or interpretation that applies to all persons and fact situations that fall generally within its ambit and that establishes a norm of conduct but does not include:

(a) a determination or ruling made in an administrative or quasi-judicial proceeding that applies to a particular person, good or service of the other Party in a specific case; or
(b) a ruling that adjudicates with respect to a particular act or practice.

ARTICLE 19.2 : PUBLICATION

1. Each Party shall ensure that its laws, regulations, procedures and administrative rulings of general application relating to any matter covered by this Agreement are

promptly published or otherwise made available in such a manner as to enable interested persons and the other Party to become acquainted with them.

2. To the extent possible, each Party shall in accordance with its domestic laws, regulations and procedures:

(a) publish in advance any such laws, regulations, procedures, and administrative rulings that it proposes to adopt; and
(b) provide interested persons and the other Party a reasonable opportunity to comment on such measures.

ARTICLE 19.3 : NOTIFICATION AND PROVISION OF INFORMATION

1. To the maximum extent possible, each Party shall notify the other Party of any measure that, the Party considers, may materially affect the operation of this Agreement or otherwise substantially affect the other Party's interests under this Agreement.

2. Upon request of the other Party, a Party shall promptly provide information and respond to questions pertaining to any measure, whether or not the other Party has been previously notified of that measure.

3. Any notification, or information provided under this Article shall be without prejudice as to whether the measure is consistent with this Agreement.

4. Any notification, request, or information under this Article shall be provided to the other Party through the relevant contact points.

ARTICLE 19.4 : ADMINISTRATIVE PROCEEDINGS

With a view to administering in a consistent, impartial and reasonable manner all measures referred to in Article 19.2, each Party shall ensure that in its administrative proceedings applying such measures to particular persons, goods or services of the other Party in specific cases that:

(a) wherever possible, persons of the other Party that are directly affected by a proceeding are provided with a reasonable notice, in accordance with domestic procedures, when a proceeding is initiated, including a description of the nature of the proceeding, a statement of the legal authority under which the proceeding is initiated and a general description of any issues in controversy;
(b) such persons are afforded with a reasonable opportunity to present facts and arguments in support of their positions prior to any final administrative action, when time, the nature of the proceeding and the public interest permit; and
(c) its procedures are in accordance with its domestic law.

ARTICLE 19.5 : REVIEW AND APPEAL

1. Each Party shall establish or maintain judicial, quasi-judicial, or administrative tribunals or procedures for the purpose of the prompt review and, where warranted, correction of final administrative actions regarding matters covered by this Agreement. Such tribunals shall be impartial and independent of the office or authority entrusted with administrative enforcement and shall not have any substantial interest in the outcome of the matter.

2. Each Party shall ensure that, in any such tribunals or procedures, the parties to the proceeding are provided with the right to:

(a) a reasonable opportunity to support or defend their respective positions; and
(b) a decision based on the evidence and submissions of record and, where required by domestic law, the record compiled by the administrative authority.

3. Each Party shall ensure, subject to appeal or further review as provided in its domestic law, that such decisions shall be implemented by, and shall govern the practice of, the offices or authorities with respect to the administrative action at issue.

CHAPTER 20
DISPUTE SETTLEMENT

ARTICLE 20.1 : CO-OPERATION

The Parties shall at all times endeavour to agree on the interpretation and application of this Agreement, and shall make every attempt through co-operation and consultations to arrive at a mutually satisfactory resolution of any matter that might affect its operation.

ARTICLE 20.2 : SCOPE AND COVERAGE

1. Unless otherwise agreed by the Parties elsewhere in this Agreement, the provisions of this Chapter shall apply with respect to the avoidance and settlement of all disputes between the Parties regarding the implementation, interpretation or application of this Agreement or wherever a Party considers that a measure of the other Party is inconsistent with the obligations of this Agreement or causes nullification or impairment of any benefit accruing to it directly or indirectly under Chapters 3 (National Treatment and Market Access for Goods), 4 (Rules of Origin), and 9 (Cross Border Trade on Services).

2. Unless otherwise agreed by the Parties, the timeframes and procedural rules set out in this Chapter and its Annex[es] shall apply to all disputes governed by this Chapter.

3. Findings, determinations and recommendations of an arbitral panel cannot add to or diminish the rights and obligations of the Parties under this Agreement.

4. The provisions of this Chapter may be invoked in respect of measures affecting the observance of this Agreement taken by the relevant authorities within the territory of a Party. When an arbitral panel has ruled that a provision of this Agreement has not been observed, the responsible Party shall take such reasonable measures as may be available to it to ensure its observance within its territory.

5. The Parties and the arbitral panel appointed under this Chapter shall interpret and

apply the provisions of this Agreement in the light of the objectives of this Agreement and in accordance with customary rules of public international law.

ARTICLE 20.3 : CHOICE OF FORUM

1. Disputes regarding any matter arising under both this Agreement and the WTO Agreement, any agreement negotiated thereunder, or any successor agreement, may be settled in the forum selected by the complaining Party.

2. Once dispute settlement procedures have been initiated under Article 20.6 or dispute settlement proceedings have been initiated under the WTO Agreement, the forum selected shall be used to the exclusion of the other.

3. For the purposes of this Article, dispute settlement proceedings under the WTO Agreement are deemed to be initiated upon a request for a panel by a Party.

ARTICLE 20.4 : CONSULTATIONS

1. A Party may request in writing consultations with the other Party on any matter affecting the implementation, interpretation or application of this Agreement or whenever a party considers that any measure or any other matter that is inconsistent with the obligations of this Agreement or causes nullification or impairment of any benefit accruing to it directly or indirectly under Chapters 3 (National Treatment and Market Access for Goods), 4 (Rules of Origin), and 9 (Cross Border Trade in Services).

2. If a request for consultation is made, the Party to which the request is made shall reply to the request within ten (10) days after the date of its receipt and shall enter into consultations within a period of no more than twenty (20) days after the date of receipt of the request, with a view to reaching a mutually satisfactory solution.

3. The Parties shall make every effort to reach a mutually satisfactory resolution of any matter through consultations. To this end, the Parties shall:

(a) provide sufficient information to enable a full examination of how the measure might affect the operation of the Agreement; and

(b) treat as confidential any information exchanged in the consultations which the other Party has designated as confidential.

ARTICLE 20.5 : GOOD OFFICES, CONCILIATION OR MEDIATION

1. The Parties may at any time agree to good offices, conciliation or mediation. They may begin at any time and be terminated by either Party at any time.

2. Proceedings involving good offices, conciliation and mediation, and in particular positions taken by the Parties during these proceedings, shall be confidential, and without prejudice to the rights of either Party in any further proceedings under the provisions of this Chapter or any other proceedings before a forum selected by the Parties.

3. If the Parties agree, procedures for good offices, conciliation or mediation may continue while the dispute proceeds for resolution before an arbitral panel established under Article 20.6.

ARTICLE 20.6 : REQUEST FOR AN ARBITRAL PANEL

1. A Party may request in writing for the establishment of an arbitral panel if the matter has not been resolved pursuant to Article 20.4, within forty-five (45) days after the date of receipt of the request for consultations.

2. A request for arbitration shall give the reason for the complaint including the identification of the measure at issue and an indication of the legal basis of the complaint.

3. Upon delivery of the request, an arbitral panel shall be established.

4. Unless otherwise agreed by the Parties, an arbitral panel shall be established and perform its functions in accordance with the provisions of this Chapter.

ARTICLE 20.7 : COMPOSITION OF ARBITRAL PANELS

1. The arbitral panel referred to in Article 20.6 shall consist of three (3) members. Each Party shall appoint a member within thirty (30) days of the receipt of the request under Article 20.6. The Parties shall jointly appoint the third member who shall serve as the chair of the arbitral panel within thirty (30) days of the appointment of the second member.

2. If the Parties are unable to agree on the chair of the arbitral panel within thirty (30) days after the date on which the second member has been appointed, they shall within the next ten (10) days exchange their respective list comprising four (4) nominees each who shall not be nationals of either Party. The chair shall then be appointed in the presence of both Parties by lot from the lists within forty (40) days from the date of appointment of the second member. If a Party fails to submit its list of four (4) nominees, the chair shall be appointed by lot from the list already submitted by the other Party.

3. If a member of the arbitral panel appointed under this Article becomes unable to act, a successor shall be appointed in the same manner as prescribed for the appointment of the original member and the successor shall have all the powers and duties of the original member. In such a case, any time period applicable to the arbitral panel proceedings shall be suspended for a period beginning on the date when the original member becomes unable to act and ending on the date when the new member is appointed.

4. Any person appointed as a member of the arbitral panel shall have expertise or experience in law, international trade, other matters covered by this Agreement or the resolution of disputes arising under international trade agreements. A member shall be chosen strictly on the bases of objectivity, reliability, sound judgment and independence and shall conduct himself or herself on the same bases throughout the course of the arbitration proceedings. If a Party believes that a member is in violation of the bases stated above, the Parties shall consult and if they agree, the member shall be removed and a new member shall be appointed in accordance with this Article. Additionally, the chair shall not have his or her usual place of residence in the territory of, nor be employed by, either Party.

ARTICLE 20.8 : TERMINATION OF PROCEEDINGS

The Parties may agree to terminate the proceedings before an arbitral panel at any time by jointly notifying the chair to this effect.

ARTICLE 20.9 : PROCEEDINGS OF ARBITRAL PANELS

1. Unless the Parties agree otherwise, the arbitral panel shall follow the model rules of procedure in the Annex 20A, which shall ensure:

(a) that an arbitral panel shall meet in closed session;
(b) a right to at least one hearing before the arbitral panel;
(c) an opportunity for each Party to provide initial and rebuttal submissions;
(d) that each Party's written submissions, written versions of its oral statement, and written response to a request or question from the arbitral panel may be made public after they are submitted, subject to clause (g);
(e) that the arbitral panel may consider requests from non-governmental entities in the Parties' territories to provide written views regarding the dispute that may assist the arbitral panel in evaluating the submissions and arguments of the Parties;
(f) a reasonable opportunity for each Party to submit comments on the initial report presented pursuant to paragraph 3 of Article 20.11; and
(g) the protection of confidential information.

2. The arbitral panel may, after consulting the Parties, adopt additional rules of procedure not inconsistent with the model rules.

ARTICLE 20.10 : INFORMATION AND TECHNICAL ADVICE

1. Upon request of a Party, or on its own initiative, the arbitral panel may seek information and technical advice from any person or body that it deems appropriate. Any information and technical advice so obtained shall be made available to the Parties.

2. With respect to factual issues concerning a scientific or other technical matter raised by a Party, the arbitral panel may request advisory reports in writing from an expert or experts. The arbitral panel may, at the request of a Party or on its own

initiative, select, in consultation with the Parties, scientific or technical experts who shall assist the arbitral panel throughout its proceedings, but who shall not have the right to vote in respect of any decision to be made by the arbitral panel.

ARTICLE 20.11 : INITIAL REPORT

1. Unless the Parties otherwise agree, the arbitral panel shall base its report on the relevant provisions of this Agreement, on the submissions and arguments of the Parties, and on any information before it, pursuant to Article 20.10.

2. Unless the Parties otherwise agree, the arbitral panel shall, within ninety (90) days after the last member is selected, present to the Parties an initial report containing:

(a) findings of law and/or fact together with reasons;
(b) its determination as to the implementation, interpretation or application of this Agreement or whether the measure at issue is inconsistent with the obligations of this Agreement or causes nullification or impairment of any benefit accruing to a Party under this Agreement, or any other determination requested in the terms of reference; and
(c) its recommendations, if any, on the means to resolve the dispute.

3. The Parties may submit written comments on the initial report within fourteen (14) days of its presentation.

4. In case that such written comments by the Parties are received as provided for in paragraph 3, the arbitral panel, on its own initiative or at the request of a Party, may reconsider its report and make any further examination that it considers appropriate after considering such written comments.

ARTICLE 20.12 : FINAL REPORT

1. The arbitral panel shall present a final report to the Parties, within thirty (30) days of presentation of the initial report, unless the Parties otherwise agree.

2. The final report of the arbitral panel shall be made publicly available within fifteen

(15) days of its delivery to the Parties.

ARTICLE 20.13 : IMPLEMENTATION OF FINAL REPORT

1. The final report of an arbitral panel shall be binding on the Parties and shall not be subject to appeal.

2. On receipt of the final report of an arbitral panel, the Parties shall agree on:

   (a) the means to resolve the dispute, which normally shall conform with the determinations or recommendations, if any, of the arbitral panel; and
   (b) the reasonable period of time which is necessary in order to implement the means to resolve the dispute. If the Parties fail to agree on the reasonable period of time, a Party may request the original arbitral panel to determine the length of the reasonable period of time, in the light of the particular circumstances of the case. The determination of the arbitral panel shall be presented within fifteen (15) days from that request.

3. If, in its final report, the arbitral panel determines that a Party has not conformed with its obligations under this Agreement or that a Party's measure has caused nullification or impairment, the means to resolve the dispute shall, whenever possible, be to eliminate the non-conformity or the nullification or impairment.

ARTICLE 20.14 : NON-IMPLEMENTATION – COMPENSATION AND SUSPENSION OF BENEFITS

1. If the Parties

   (a) are unable to agree on the means to resolve the dispute pursuant to paragraph 2(a) of Article 20.13 within thirty (30) days of issuance of the final report; or
   (b) have agreed on the means to resolve the dispute pursuant to Article 20.13 and the Party complained against fails to implement the aforesaid means within thirty (30) days following the expiration of the reasonable period of time determined in accordance with paragraph 2(b) of Article 20.13,

the Party complained against shall enter into negotiations with the complaining Party with a view to reaching a mutually satisfactory agreement on any necessary compensatory adjustment.

2. If no mutually satisfactory agreement on compensation has been reached within twenty (20) days after the Parties have entered into negotiations on compensatory adjustment, the complaining Party may at any time thereafter provide written notice to the Party complained against that it intends to suspend the application to that Party of benefits of equivalent effect. The notice shall specify the level of benefits that the complaining Party proposes to suspend. The complaining Party may begin suspending benefits thirty (30) days after the date when it provides notice to the Party complained against under this paragraph, or the date when the arbitral panel issues the report under paragraph 6, whichever is later.

3. Any suspension of benefits shall be restricted to benefits granted to the Party complained against under this Agreement.

4. In considering what benefits to suspend under paragraph 2:

(a) the complaining Party should first seek to suspend benefits in the same sector or sectors as that affected by the measure or other matter that the arbitral panel has found to be inconsistent with this Agreement or to have caused nullification or impairment; and
(b) the complaining Party may suspend benefits in other sectors if it considers that it is not practicable or effective to suspend benefits in the same sector.

5. The suspension of benefits shall be temporary and shall only be applied until such time as the measure found to be inconsistent with this Agreement, or to have caused nullification or impairment has been removed, or a mutually satisfactory solution is reached.

6. If the Party complained against considers that:

(a) the level of benefits that the complaining Party has proposed to be suspended is manifestly excessive; or
(b) it has eliminated the non-conformity, nullification or impairment that the

arbitral panel has found,

it may request the original arbitral panel to determine the matter. The original arbitral panel shall present its determination to the Parties within thirty (30) days after it reconvenes.

7. If the arbitral panel cannot be reconvened with its original members, the procedures for appointment for the arbitral panel set out in Article 20.7 shall be applied.

ARTICLE 20.15 : OFFICIAL LANGUAGE

1. All proceedings and all documents submitted to the arbitral panel shall be in the English language.

2. When an original document submitted to the arbitral panel by a Party is not in the English language, that Party shall translate it into the English language and submit it with the original document at the same time.

ARTICLE 20.16 : EXPENSES

1. Unless the Parties otherwise agree, the costs of the arbitral panel and other expenses associated with the conduct of its proceedings shall be borne in equal parts by both Parties.

2. Each Party shall bear its own expenses and legal costs in the arbitral proceedings.

ANNEX 20A : MODEL RULES OF PROCEDURE

Application

1. These Rules are established under Article 20.9 and shall apply to dispute settlement proceedings under Chapter 20 (Dispute Settlement) unless the Parties otherwise agree.

Definitions

2. For the purposes of this Annex:

complaining Party means a Party that requests the establishment of a panel under Article 20.6;

arbitral panel means an arbitral panel established under Article 20.7; and

3. Any reference made in these Rules to an Article, is a reference to the appropriate Article in Chapter 20 (Dispute Settlement) .

Terms of Reference for Panels

4. Unless the Parties otherwise agree within twenty (20) days from the date of receipt of the request for the establishment of a panel, the terms of reference shall be:

"To examine, in the light of the relevant provisions of this Agreement, the matter referred to in the request for the establishment of an arbitral panel, pursuant to Article 20.6, to make findings of law and/or fact together with the reasons thereof as well as recommendations, if any, on the means to resolve the dispute, and deliver the written reports referred to in Articles 20.11 and 20.12."

5. The Parties shall promptly deliver the agreed terms of reference to the panel, upon the designation of the last member of the panel.

6. If the complaining Party argues that a matter has nullified or impaired benefits, the terms of reference shall so indicate.

Written Submissions and Other Documents

7. Each Party shall deliver no less than four copies of its written submission to the panel and a copy to the other Party.

8. A complaining Party shall deliver its initial written submission to the Party complained against no later than ten (10) days after the date on which the last panelist is appointed. The Party complained against shall deliver its written submission to the complaining Party no later than twenty (20) days upon receipt of the initial written submission of the complaining Party.

9. In respect of a request, notice or other document(s) related to the panel proceedings that is not covered by paragraphs 7 or 8, each Party shall deliver copies of the document(s) to the other Party by facsimile, email or other means of electronic transmission.

10. A Party may at any time correct minor errors of a clerical nature in any request, notice, written submission or other document(s) related to the panel proceedings by delivering a new document clearly indicating the changes.

Operation of Panels

11. The chair of the panel shall preside at all of its meetings. A panel may delegate to the chair authority to make administrative and procedural decisions.

12. Except as otherwise provided in these Rules, the panel may conduct its business by any means, including by telephone, facsimile transmission and computer links.

13. Only members of the panel may take part in the deliberations of the panel, but the panel may in consultation with the Parties employ such number of assistants, interpreters or translators, or court reporters (designated note takers) as may be required for the proceedings and permit them to be present during such deliberations. The

members of the panel and the persons employed by the panel shall maintain the confidentiality of the panel's proceedings unless such information is already made available to the public.

14. Where a procedural question arises that is not addressed by these Rules, a panel may adopt an appropriate procedure that is consistent with this Agreement.

15. The time-period applicable to the panel proceedings shall be suspended for a period that begins on the date on which any member of the panel becomes unable to act and ends on the date on which the successor is appointed.

16. A panel may, in consultation with the Parties, modify any time-period applicable in the panel proceedings and make other procedural or administrative adjustments as may be required in the proceedings.

Hearings

17. The chair of the panel shall fix the date and time of the hearing in consultation with the Parties and the other members of the panel, and then notify the Parties in writing of the date, time and location of the hearing.

18. The venue for the proceedings of the panel shall be decided by mutual agreement between the Parties. If there is no agreement, the venue shall alternate between the territories of the Parties with the venue of the first sitting to be in the territory of the complaining Party.

19. The hearing shall be conducted by the panel in a manner ensuring that the complaining Party and the Party complained against are afforded equal time for arguments, replies and counter-replies.

Decisions of the Panel

20. The panel shall take its decisions by consensus; provided that where a panel is unable to reach consensus it may take its decisions by majority vote.

Availability of Information

21. The Parties shall maintain the confidentiality of the panel's hearings, deliberations and initial report, and all written submissions to, and communications with, the panel, in accordance with the following procedures:

(a) a Party may make available to the public at any time its own written submissions;

(b) to the extent it considers strictly necessary to protect personal privacy or legitimate commercial interests of particular enterprises, public or private, or to address essential confidentiality concerns, a Party may designate specific information included in its written submissions, or that it has presented in the panel hearing, for confidential treatment;

(c) a Party shall treat as confidential any information submitted by the other Party to the panel that the latter Party has designated as confidential pursuant to subparagraph (b); and

(d) each Party shall take such reasonable steps as are necessary to ensure that its experts, interpreters, translators, court reporters (designated note takers) and other individuals involved in the panel proceedings maintain the confidentiality of the panel proceedings.

Remuneration and Payment of Expenses

22. The panel shall keep a record and render a final account of all general expenses incurred in connection with the proceedings, including those paid to their assistants, court reporters (designated note takers) or other individuals that it retains in a panel proceeding in consultation with the Parties.

CHAPTER 21
EXCEPTIONS

ARTICLE 21.1 : DEFINITIONS

For the purposes of this Chapter:

tax agreement means a convention for the avoidance of double taxation or other international agreement or arrangement.

ARTICLE 21.2 : GENERAL EXCEPTIONS

1. Article XX of GATT is incorporated into and made part of this Agreement, for the purposes of:

(a) Chapters 3 (National Treatment and Market Access for Goods), 4 (Rules of Origin), 5 (Customs Procedures), 6 (Trade Remedies), and 14 (Electronic Commerce), except to the extent that a provision of those Chapters applies to services or investment; and
(b) Chapter 16 (Government Procurement), except to the extent that any of its provisions applies to services.

2. Subparagraphs (a), (b) and (c) of Article XIV of GATS are incorporated into and made part of this Agreement, for the purposes of:

(a) Chapters 3 (National Treatment and Market Access for Goods), 4 (Rules of Origin), 5 (Customs Procedures), 6 (Trade Remedies), and 14 (Electronic Commerce), to the extent that a provision of those chapters applies to services;
(b) Chapter 9 (Cross Border Trade in Services);
(c) Chapter 10 (Investment);
(d) Chapters 11 (Telecommunication) and 12 (Financial Services); and
(e) Chapter 16 (Government Procurement), to the extent that a provision applies to services.

ARTICLE 21.3 : NATIONAL SECURITY

1. Nothing in this Agreement shall be construed:

(a) to require a Party to furnish any information, the disclosure of which it considers contrary to its essential security interests; or

(b) to prevent a Party from taking any actions which it considers necessary for the protection of its essential security interests:

(i) relating to the traffic in arms, ammunition and implements of war and to such traffic in other goods and materials or relating to the supply of services as carried on, directly or indirectly, for the purpose of supplying or provisioning a military establishment;

(ii) taken in time of war or other emergency in international relations;

(iii) relating to fissionable and fusionable materials or the materials from which they are derived; or

(c) to prevent a Party from taking any action in pursuance of its obligations under the United Nations Charter for the maintenance of international peace and security.

A Party shall inform the other Party to the fullest extent possible, of measures taken under paragraphs 1(b) and (c) and of their termination during the meeting to review the implementation of this Agreement under Article 22.1, if such measures were taken.

ARTICLE 21.4 : TAXATION

1. Except as set out in this Article, nothing in this Agreement shall apply to taxation measures.

2. Nothing in this Agreement shall affect the rights and obligations of either Party under any tax agreement to which both Parties are parties. In the event of any inconsistency between this Agreement and any such agreement, that agreement shall prevail to the extent of the inconsistency. In the case of a bilateral tax agreement between the Parties, the competent authorities under that agreement shall have sole responsibility for determining whether any inconsistency exists between this Agreement and that agreement.

3. Notwithstanding paragraph 2, Article 3.3 and such other provisions of this Agreement as are necessary to give effect to that Article shall apply to taxation

measures to the same extent as does Article III of GATT 1994.

4. Articles 10.13 and 10.19 shall apply to taxation measures to the extent that such taxation measures constitute expropriation as provided for therein[21-1]. An investor that seeks to invoke Article 10.13 with respect to a taxation measure must first refer to the competent authorities described in paragraph 5, at the time that it gives notice under Article 10.19, the issue of whether that taxation measure involves an expropriation. If the competent authorities do not agree to consider the issue or, having agreed to consider it, fail to agree that the measure is not an expropriation within a period of six (6) months of such referral, the investor may submit its claim to arbitration under Article 10.19.

5. For the purposes of this Article, **competent authorities** means:

(a) for Singapore, Director for Fiscal Policy, Ministry of Finance, or his successor or such other public officer as may be designated by Singapore; and

(b) for Korea, Deputy Minister, Tax and Customs Office, Ministry of Finance and Economy or his successor.

[21-1] With reference to Article 10.13 in assessing whether a taxation measure constitutes expropriation, the following considerations are relevant:

(i) the imposition of taxes does not generally constitute expropriation. The mere introduction of new taxation measures or the imposition of taxes in more than one jurisdiction in respect of an investment, does not in and of itself constitute expropriation;

(ii) taxation measures which are consistent with internationally recognised tax policies, principles and practices do not constitute expropriation. In particular, taxation measures aimed at preventing the avoidance or evasion of taxes should not, generally, be considered to be expropriatory; and

(iii) taxation measures which are applied on a non-discriminatory basis, as opposed to being targeted at investors of a particular nationality or specific individual taxpayers, are less likely to constitute expropriation. A taxation measure should not constitute expropriation if, when the investment is made, it was already in force, and information about the measure was made public or otherwise made publicly available.

[Date]

Mr. Han-soo Kim
Director General
Free Trade Agreement Bureau
Ministry of Foreign Affairs and Trade
Republic of Korea

Dear Mr. Kim:

I have the honour to refer to the Free Trade Agreement between the government of the Republic of Korea and the government of the Republic of Singapore ("the Agreement") signed at [place] on [date].

Resulting from the above Agreement, I have the honour of confirming the understanding of both Parties that in relation to Chapter 21 (Exceptions) of the Agreement, under Article 21.3, a Party may take any action it considers necessary to protect critical communications infrastructure from deliberate attempts intended to disable or degrade such infrastructure.

I would be grateful if you would confirm that the understanding of my Government as stated above is shared by your Government and that this understanding shall be treated as an integral part of the Agreement.

Sincerely,

_____

[Name of Singapore's Representative]
[Title]

[Date]

_____

[Name of Singapore's Representative]
[Title]

Dear Mr./Ms. _____:

I have the honour to acknowledge the receipt of your letter dated [Date], which reads as follows:

"I have the honour to refer to the Free Trade Agreement between the government of the Republic of Korea and the government of the Republic of Singapore ("the Agreement") signed at [place] on [date].

Resulting from the above Agreement, I have the honour of confirming the understanding of both Parties that in relation to Chapter 21 (Exceptions) of the Agreement, under Article 21.3, a Party may take any action it considers necessary to protect critical communications infrastructure from deliberate attempts intended to disable or degrade such infrastructure.

I would be grateful if you would confirm that the understanding of my Government as stated above is shared by your Government and that this understanding shall be treated as an integral part of the Agreement."

I have the honor of confirming that this understanding is shared by my Government and that this understanding shall constitute an integral part of the Agreement.

Sincerely,

Han-soo Kim
Director General
Free Trade Agreement Bureau
Republic of Korea

CHAPTER 22
ADMINISTRATION AND FINAL PROVISIONS

ARTICLE 22.1 : REVIEW ON THE IMPLEMENTATION OF THE AGREEMENT

1. In addition to the provisions for consultations elsewhere in this Agreement, Ministers in charge of trade negotiations of the Parties or their designated officials shall meet within a year of the date of entry into force of this Agreement and then annually or otherwise as appropriate to review the implementation of this Agreement.

2. Pursuant to paragraph 1, the Parties may:

(a) review the implementation and application of the provisions of this Agreement including the work of any committees and working groups established under this Agreement;
(b) establish and delegate responsibilities to any ad hoc or standing committees, working groups or expert groups to:
    (i) assign them with tasks on specific matters;
    (ii) study and recommend to the Ministers in charge of trade negotiations of the Parties any appropriate measures to resolve any issues arising from the implementation or application of any part of this Agreement; or
    (iii) to consider, upon either Party's request, new issues not already dealt with by this Agreement;
(c) modify the established rules of origin and such modification shall come into force in accordance with Article 22.4; and
(d) consider any other matter that may affect the operation of this Agreement.

ARTICLE 22.2 : CONTACT POINTS

1. Each Party shall designate a contact point to facilitate communications between the Parties on any matter covered by this Agreement.

2. For the purposes of this Agreement, all communications or notifications to or by a Party shall be made through its contact point.

3. For the purposes of this Article, the contact points of the Parties are:

(a) for Korea, the Free Trade Agreement Bureau of the Ministry of Foreign Affairs and Trade, or its successor; and
(b) for Singapore, the Ministry of Trade and Industry, or its successor.

ARTICLE 22.3 : ANNEXES AND APPENDICES

The Annexes and Appendices to this Agreement shall constitute integral parts of this Agreement.

ARTICLE 22.4 : AMENDMENTS

1. The Parties may agree on any modification of or addition to this Agreement.

2. When so agreed, such a modification or addition under paragraph 1 shall enter into force and constitute an integral part of this Agreement after the Parties have exchanged written notification certifying that they have completed necessary internal legal procedures and on such date or dates as may be agreed between the Parties.

ARTICLE 22.5 : ENTRY INTO FORCE

This Agreement shall enter into force thirty (30) days after an exchange of written notifications, certifying the completion of the necessary legal procedures of each Party.

ARTICLE 22.6 : TERMINATION

Either Party may terminate this Agreement by written notification to the other Party, and such termination shall take effect six (6) months after the date of the notification.

ARTICLE 22.7 : AUTHENTIC TEXTS

The Korean and English texts of this Agreement are equally authentic. In the event of divergence, the English text shall prevail.

IN WITNESS WHEREOF, the undersigned, being duly authorised by their respective Governments, have signed this Agreement.

DONE in , on , in duplicate, in the Korean and English languages.

FOR THE GOVERNMENT OF THE REPUBLIC OF KOREA	FOR THE GOVERNMENT OF THE REPUBLIC OF SINGAPORE
BAN KI-MOON	LIM HNG KIANG
Minister of Foreign Affairs and Trade	Minister for Trade and Industry