4. New Chapter Eleven-C (Good Regulatory Practice) is hereby added as follows:

"CHAPTER ELEVEN-C

GOOD REGULATORY PRACTICE

ARTICLE 11C.1

Purpose and Extent

1. The purpose of this Chapter is to promote good regulatory practice and regulatory cooperation between the Parties with the aim of enhancing bilateral trade and investment, economic growth, and employment, by:

(a) promoting an effective, transparent, and predictable regulatory environment;

(b) promoting compatible regulatory approaches and reducing unnecessarily burdensome, duplicative, or divergent regulatory requirements;

(c) exchanging information on each Party's regulatory measures, practices, or approaches, including how to ensure their efficient application; and

(d) establishing or maintaining cooperation between the Parties in international fora.

2. A Party may determine its approach to good regulatory practice and regulatory cooperation under this Agreement, in a manner consistent with its legal framework, practice, and the principles underlying its regulatory system.

3. This Chapter shall not be construed to require a Party to:

(a) deviate from its procedures for:

(i) identifying its regulatory priorities;

(ii) preparing and adopting regulatory measures; or

(iii) ensuring the levels of protection that the Party considers appropriate to achieve its public policy objectives (including health, safety, and environmental objectives);

(b) take actions that would undermine or impede the timely adoption of regulatory measures, or would otherwise risk compromising public policy objectives; or

(c) achieve any particular regulatory outcome.

ARTICLE 11C.2

Definitions

For the purposes of this Chapter:

regulatory authority means:

(a) for Korea, a ministerial department of the central level of government;

(b) for the United Kingdom, a ministerial department of the central level of government; and

regulatory measure means:

(a) for Korea, restrictions on the rights of nationals or imposition of duties by the central government to achieve certain administrative objectives, as provided by the Presidential Decrees, Ordinances of the Prime Minister, and Ministerial Ordinances, related to any matter covered by this Agreement and in relation to a business, excluding:

(i) affairs executed by the National Assembly, the Courts, the Constitutional Court, the Election Commission, and the Board of Audit and Inspection;

(ii) affairs relevant to criminal matters, the administration of criminal justice, and security measures;

(iii) matters relevant to imposition and collection of penalty surcharges and administrative fines;

(iv) matters relevant to information and security-related duties under the *National Intelligence Service Korea Act*;

(v) matters relevant to enrolment, draft mobilisation, and training under the *Military Service Act, the Act on Assignment to and Performance or Alternative Service,* the *United Defense Act,* the *Reserve Forces Act,* the *Framework Act on Civil Defense,* the *Act on Emergency Preparedness,* the *Framework Act on the Management of Disasters and Safety*, and the *Act on management of disaster management resources*;

(vi) matters relevant to military installations, the protection of military secrets, and the defence industry;

(vii) matters relevant to the items, rates, imposition, and collection of taxes;

(viii) matters relevant to customs duty; and

(ix) matters relevant to government procurement.

(b) for the United Kingdom:

(i) an Act of the Parliament of the United Kingdom; or

(ii) a statutory instrument made by a Minister of the Crown, under an Act of Parliament of the United Kingdom;

related to any matter covered by this Agreement and in relation to a business activity, excluding:

(A) any measure imposing, abolishing or varying any tax, duty, levy or other charge (or any measure in connection with that measure);

(B) any measure in connection with public sector procurement; and

(C) any measure in connection with the giving of grants or other financial assistance by or on behalf of a public authority.

ARTICLE 11C.3

Internal Coordination Processes

1. Each Party shall adopt or maintain internal coordination processes that foster good regulatory practice.

2. These processes may include:

(a) fostering good regulatory practice in the development of regulatory measures; and

(b) establishing or maintaining coordinating bodies.

ARTICLE 11C.4

Descriptions of Regulatory Processes

Each Party shall ensure that descriptions of the processes employed by its regulatory authorities, to develop and review regulatory measures, are freely and publicly available online. Those descriptions shall refer to relevant laws, regulations, rules, or procedures.

ARTICLE 11C.5

Public Consultation

1. Each Party shall have processes which promote the use of consultation by its regulatory authorities.

2. When preparing a proposed major[1] regulatory measure, each Party shall endeavour, in accordance with its laws, regulations, rules, or procedures, to:

(a) publish sufficient information concerning the proposed regulatory measure to allow an interested person to assess their interests in connection to that measure;

(b) allow an interested person a reasonable opportunity to consider the proposed regulatory measure and to provide comments; and

(c) consider the comments.

3. Paragraph 2(b) shall not be construed so as to prevent a Party from undertaking a targeted consultation with interested persons.

4. Each Party shall endeavour to make use of electronic means of communication, and to make information related to public consultation, freely and publicly available online, including information on how to provide comments.

5. Each party shall endeavour to ensure that its regulatory authority responds to the public consultation referred to in this Article, in accordance with its respective laws, regulations, rules, or procedures. Each party is encouraged to explain how the input received has informed the proposed regulatory measure.

ARTICLE 11C.6

Regulatory Impact Assessments

1. Each Party shall endeavour to carry out, in accordance with its laws, regulations, rules, or procedures, a proportionate regulatory impact assessment of a major regulatory measure under preparation.

2. Each Party shall adopt or maintain processes for carrying out proportionate regulatory impact assessments. When conducting a regulatory impact assessment, that Party shall endeavour to:

(a) assess the need for the major regulatory measure, including the nature and the significance of the issue that the regulatory measure intends to address;

(b) examine any feasible and appropriate alternatives, including the option of not regulating, that would achieve the Party's public policy objectives; and

(c) base the assessment on reasonably obtainable information, including relevant scientific, technical, or economic information.

[1] The regulatory authority of a Party may determine what constitutes a "major" regulatory measure for the purposes of its obligations under this Chapter.

3. When carrying out a regulatory impact assessment, each Party shall endeavour, where appropriate, to consider a range of possible impacts of the proposed major regulatory measure. This may include its potential impact on SMEs.[2]

4. Each Party shall publish the findings of its regulatory impact assessments in a timely manner consistent with its relevant laws, regulations, rules, or procedures. Each Party is encouraged to explain the grounds for concluding that the selected option achieves its public policy objectives in an efficient manner.

ARTICLE 11C.7

Access to Regulatory Measures

Each Party shall ensure that its regulatory measures are available online, free of charge, and are easily searchable.

ARTICLE 11C.8

Retrospective Review

1. Each Party shall endeavour to maintain processes for carrying out periodic retrospective reviews of major regulatory measures.

2. Each Party shall endeavour to review its major regulatory measures at periodic intervals it deems appropriate, in accordance with its laws, regulations, rules, or procedures. When conducting a retrospective review, a Party may consider whether:

(a) the regulatory measure is likely to remain fit for purpose; or

(b) there are opportunities to achieve its public policy objectives more effectively and to reduce unnecessary burdens, including burdens on SMEs.

ARTICLE 11C.9

Regulatory Cooperation

1. The Parties shall cooperate to facilitate the implementation of this Chapter and to maximise the benefits arising from it, including those envisioned in Article 11C.1.1.

2. A regulatory cooperation activity may include:

(a) information exchange, dialogue, or meetings with the other Party including:

[2] For the United Kingdom, for the purposes of this Chapter, "SMEs" means small and micro businesses.

(i) exchanging experiences with regulatory tools and instruments, including regulatory impact assessments, retrospective reviews, and compliance with regulatory practice; or

(ii) exchanging information on planned or existing regulatory measures to maximise the opportunity for common approaches;

(b) information exchange, dialogues, or meetings with interested persons, including with SMEs, of the other Party;

(c) training programmes, seminars, and other relevant assistance; or

(d) seeking to collaborate in relevant international fora.

3. A Party may propose a cooperation activity through its contact point, designated in accordance with Article 11C.10, or through contact with the other Party's relevant regulatory authority. The other Party is encouraged to review the proposal, and respond, in a timely manner.

4. The Parties may engage in regulatory cooperation activities on a voluntary basis. If a Party refuses to engage in, or withdraws from, a regulatory cooperation activity, it is encouraged to give positive consideration to a request from the other Party to explain the reasons for its decision.

5. Each Party shall endeavour to encourage its relevant regulatory authorities to consider regulatory measures in the other Party, as well as relevant developments in international, regional, and other fora when planning regulatory measures.

ARTICLE 11C.10

Contact Points

1. Each Party shall designate, and notify to the other Party, a contact point to facilitate communication and cooperation between the Parties on any matter covered by this Chapter. Any change to its contact point shall be promptly notified to the other Party.

2. The contact points may assist any committee, working group, subsidiary body, or other contact point established under this Agreement in relation to matters of relevance to this Chapter.

ARTICLE 11C.11

Relation to Other Chapters

In the event of any inconsistency between this Chapter and another Chapter of this Agreement, the other Chapter shall prevail to the extent of the inconsistency.

ARTICLE 11C.12

Dispute Settlement

Neither Party may have recourse to Chapter Fourteen (Dispute Settlement) for any matter arising under this Chapter."