

[X]. New Annex II is hereby added as follows:

“ANNEX II

**NON-CONFORMING MEASURES
FOR CROSS-BORDER TRADE IN SERVICES AND INVESTMENT**

SCHEDULE OF KOREA

Introductory Notes

1. This Schedule sets out, pursuant to Articles 7B.12 (Non-Conforming Measures) and 7A.7 (Non-Conforming Measures), the specific sectors, subsectors, or activities for which Korea may maintain existing, or adopt new or more restrictive, measures that do not conform with obligations imposed by:

- (a) Articles 7B.5 (National Treatment) or 7A.3 (National Treatment);
- (b) Articles 7B.6 (Most Favoured Nation Treatment) or 7A.4 (Most Favoured Nation Treatment);
- (c) Article 7A.6 (Local Presence); or
- (d) Article 7A.5 (Market Access)

2. Each Schedule entry sets out the following elements:

- (a) **Sector** refers to the sector for which the entry is made;
- (b) **Obligations Concerned** specifies the article(s) referred to in paragraph 1 that, pursuant to Articles 7B.12.2 (Non-Conforming Measures) and 7A.7.2 (Non-Conforming Measures), do not apply to the sectors, subsectors, or activities scheduled in the entry;
- (c) **Description** sets out the scope of the sectors, subsectors, or activities covered by the entry; and
- (d) **Existing Measures** identifies, for transparency purposes, existing measures that apply to the sectors, subsectors, or activities covered by the entry.

3. In accordance with Articles 7B.12.2 (Non-Conforming Measures) and 7A.7.2 (Non-Conforming Measures), the articles of this Agreement specified in the **Obligations Concerned** element of an entry do not apply to the sectors, subsectors, and activities identified in the **Description** element of that entry.

4. For Korea, **foreign person** means a foreign national or an enterprise organised under the laws of another country.

5. For greater certainty, Articles 7A.6 (Local Presence) and 7A.3 (National Treatment)

are separate disciplines and a **measure** that is only inconsistent with Article 7A.6 (Local Presence) need not be reserved against Article 7A.3 (National Treatment).

6. For greater certainty, the specific commitments with regard to the entry and temporary stay of business persons are set out in Annex 7C-A (Korea's Schedule of Specific Commitments on Entry and Temporary Stay of Business Persons).

1.

Sector: All Sectors

Obligations Concerned: National Treatment (Article 7B.5)

Description: Investment

Korea reserves the right to adopt, with respect to the establishment or acquisition of an investment, any measure pursuant to Article 4 of the *Foreign Investment Promotion Act* and Articles 5 and 5-2 of the *Enforcement Decree of the Foreign Investment Promotion Act*.

Existing Measures: *Foreign Investment Promotion Act*

Enforcement Decree of the Foreign Investment Promotion Act

2.

Sector: All Sectors

Obligations Concerned: National Treatment (Articles 7B.5 and 7A.3)
Local Presence (Article 7A.6)

Description: Investment

Korea reserves the right to adopt or maintain any measure with respect to the transfer or disposition of equity interests or assets held by state enterprises or governmental authorities.

Such a measure shall be implemented in accordance with the provisions of Chapter 12 (Transparency).

This entry does not apply to former private enterprises that are owned by the state as a result of corporate reorganisation processes.

For purposes of this entry, a **state enterprise** shall include any enterprise created for the sole purpose of selling or disposing of equity interests or assets of state enterprise or governmental authorities.

Cross-Border Trade in Services and Investment

Without prejudice to Korea's commitments undertaken in Annex I and Annex II, Korea reserves the right to adopt or maintain any measure with respect to the transfer to the private sector of all or any portion of services provided in the exercise of governmental authority.

Existing Measures: *Financial Investment Services and Capital Markets Act*

3.

Sector: All sectors

Obligations Concerned: National Treatment (Articles 7B.5 and 7A.3)
Most Favoured Nation Treatment (Articles 7B.6 and 7A.4)
Market Access (Article 7A.5)
Local Presence (Article 7A.6)

Description: Cross-Border Trade in Services and Investment

Korea reserves the right to adopt or maintain any measure with respect to the defence industry.

Existing Measures: *Foreign Investment Promotion Act*

Defense Acquisition Program Act

4.

Sector: All sectors

Obligations Concerned: National Treatment (Articles 7B.5 and 7A.3)
Most Favoured Nation Treatment (Articles 7B.6 and 7A.4)

Description: Cross-Border Trade in Services and Investment

Korea reserves the right to adopt or maintain any measure with respect to the critical technology, including National Core Technology which is in the *Act on Prevention of Divulgence and Protection of Industrial Technology* and National high-tech strategic technology which is in the *Act on Special Measures for Strengthening the Competitiveness of and Protecting National High-Tech Strategic Industries*.

Existing Measures: *Act on Prevention of Divulgence and Protection of Industrial Technology*

Enforcement Decree of the Act on Prevention of Divulgence and Protection of Industrial Technology

Foreign Investment Promotion Act

Enforcement Decree of the Foreign Investment Promotion Act

Act on Special Measures for Strengthening the Competitiveness of and Protecting National High-Tech Strategic Industries

Enforcement Decree of the Act on Special Measures for Strengthening the Competitiveness of and Protecting National High-Tech Strategic Industries

5.

Sector: Acquisition of Land

Obligations Concerned: National Treatment (Article 7B.5)

Description: Investment

Korea reserves the right to adopt or maintain any measure with respect to the acquisition of land by foreign persons, except that a juridical person shall continue to be permitted to acquire land where the juridical person:

- (a) is not deemed foreign pursuant to Article 2 of the *Act on Report on Real Estate Transactions*; and
- (b) is deemed foreign under the *Act on Report on Real Estate Transactions* or is a branch of a foreign juridical person subject to approval or notification in accordance with the *Act on Report on Real Estate Transactions* if the land is to be used for any of the following legitimate business purposes:
 - (i) land used for ordinary business activities;
 - (ii) land used for housing for senior management; and
 - (iii) land used for fulfilling land-holding requirements stipulated by pertinent laws.

Korea reserves the right to adopt or maintain any measure with respect to the acquisition of farmland by foreign persons.

Existing Measures: *Act on Report on Real Estate Transactions*

Farmland Act

6.

Sector: Firearms, Swords, Explosives, and Similar Items

Obligations Concerned: National Treatment (Articles 7B.5 and 7A.3)
Local Presence (Article 7A.6)

Description: Cross-Border Trade in Services and Investment

Korea reserves the right to adopt or maintain any measure with respect to the firearms, swords, explosives, gas sprays, electric shocks, and crossbows sector, including the manufacture, use, sale, storage, transport, import, export, and possession of firearms, swords, explosives, gas sprays, electric shocks, and crossbows.

7.

Sector: Disadvantaged Groups

Obligations Concerned: National Treatment (Articles 7B.5 and 7A.3)
Most Favoured Nation Treatment (Articles 7B.6 and 7A.4)
Local Presence (Article 7A.6)

Description: Cross-Border Trade in Services and Investment

Korea reserves the right to adopt or maintain any measure that accords rights or preferences to socially or economically disadvantaged groups, such as the disabled, persons who have rendered distinguished services to the state, and ethnic minorities.

8.

Sector: State-Owned National Electronic/Information System

Obligations Concerned: National Treatment (Articles 7B.5 and 7A.3)
Local Presence (Article 7A.6)

Description: Cross-Border Trade in Services and Investment

Korea reserves the right to adopt or maintain any measure affecting the administration and operation of any state-owned electronic information system that contains proprietary government information or information gathered pursuant to the regulatory functions and powers of the government.

This entry does not apply to payment and settlement systems related to financial services.

9.

Sector: Social Services

Obligations Concerned: National Treatment (Articles 7B.5 and 7A.3)
Most Favoured Nation Treatment (Articles 7B.6 and 7A.4)
Local Presence (Article 7A.6)

Description: Cross-Border Trade in Services and Investment

Korea reserves the right to adopt or maintain any measure with respect to the provision of law enforcement and correctional services, and the following services to the extent that they are social services established or maintained for public purposes: income security or insurance, social security or insurance, social welfare, public training, public utilities, public transport, public housing, health, and child care.

10.

Sector: All Sectors

Obligations Concerned: Market Access (Article 7A.5)

Description: Cross-Border Trade in Services

Korea reserves the right to adopt or maintain any measure that is not inconsistent with Korea's obligations pursuant to Article XVI of GATS as set out in Korea's Schedule of Specific Commitments under the GATS (GATS/SC/48, GATS/SC/48/Suppl.1, GATS/SC/48/Suppl.1/Rev.1, GATS/SC/48/Suppl.2, GATS/SC/48/Suppl.3, and GATS/SC/48/Suppl.3/Rev.1).

For purposes of this entry only, Korea's Schedule of Specific Commitments under the GATS is subject to the following modifications:

- (a) for any sector and subsector with regard to which the Schedule of Korea to Annex I contains an entry (other than an entry with regard to "All Sectors") that does not list Market Access in the Obligations Concerned element, "None" is inscribed in the Market Access column for modes 1, 2, and 3, and "Unbound except as indicated in the Horizontal commitments section" is inscribed for mode 4;
- (b) for any sector and subsector with regard to which the Schedule of Korea to Annex I contains an entry (other than an entry with regard to "All Sectors") that lists a limitation to the Market Access obligation, that limitation is inscribed in the Market Access column with regard to the appropriate mode of supply; and
- (c) for any sector and subsector listed in Appendix II-A, Korea's Schedule is modified as indicated in Appendix II-A.

These modifications shall not affect any limitation relating to sub-paragraph (f) of paragraph 2 of Article XVI of GATS inscribed in the Market Access column of Korea's Schedule of Specific Commitments under the GATS.

For greater certainty, an entry of "None" in the Market Access column of Korea's Schedule of Specific Commitments under the GATS shall not be construed to alter the application of

Article 7A.6 (Local Presence) as modified by Article 7A.7
(Non-Conforming Measures).

11.

Sector: All Sectors

Obligations Concerned: Most Favoured Nation Treatment (Articles 7B.6 and 7A.4)

Description: Cross-Border Trade in Services and Investment

1. Korea reserves the right to adopt or maintain any measure that accords differential treatment to countries under any bilateral or multilateral international agreement in force or signed prior to the date of entry into force of this Agreement.

2. Korea reserves the right to adopt or maintain any measure that accords differential treatment to countries under any bilateral or multilateral international agreement in force or signed after the date of entry into force of this Agreement involving:

- (a) fisheries;
- (b) maritime matters, including salvage;
- (c) aviation; or
- (d) railroad transportation.

3. Korea reserves the right to adopt or maintain any measure that accords differential treatment under any regional economic integration agreement signed after the date of entry into force of this Agreement which:

- (a) creates an internal market in services and investment;
- (b) grants the right of establishment; or
- (c) requires the approximation of legislation in one or more economic sectors.

For purposes of this paragraph 3:

- (a) an **internal market in services and investment** means an area without internal frontiers in which the free movement of services, capital and persons is ensured;
- (b) the **right of establishment** means an obligation to abolish in substance all barriers to establishment

among the parties to the regional economic integration agreement referred to in this paragraph by the entry into force of that agreement. The right of establishment shall include the right of nationals of the parties to the regional economic integration agreement to set up and manage undertakings under the conditions laid down for nationals by the legislation of the country where such establishment is effected; and

- (c) the **approximation of legislation** means:
- (i) the alignment of the legislation of one or more of the parties to the regional economic integration agreement with the legislation of the other party or parties to that agreement; or
 - (ii) the incorporation of common legislation into the legal order of the parties to the regional economic integration agreement.

Such alignment or incorporation shall be taking place, and is deemed to take place only from such time that it has been enacted into the domestic legal order of the party or parties to the regional economic integration agreement.

Korea shall notify the Committee on Trade in Services and Investment referred to in Article 15.2 (Specialised Committees) of any regional economic integration agreement which it considers to fulfil the conditions of this paragraph.

Upon the request of the United Kingdom, and further to a notification under this paragraph, the Parties shall discuss and review, at the Committee on Trade in Services and Investment or in separate consultations, whether the regional economic integration agreement fulfils the conditions of this paragraph.

12.

Sector: Communication Services - Broadcasting Services

Obligations Concerned: Most Favoured Nation Treatment (Articles 7B.6 and 7A.4)

Description: Cross-Border Trade in Services and Investment

Korea reserves the right to adopt or maintain any measure that accords differential treatment to persons of other countries due to the application of reciprocity measures or through international agreements involving sharing of the radio spectrum, guaranteeing market access, or national treatment with respect to the one-way satellite transmission of direct-to-home (DTH) and direct broadcasting satellite (DBS) television services and digital audio services.

13.

Sector: Environmental Services - Treatment and Supply Services for Potable Water; Collection and Treatment Services for Municipal Sewage; Collection, Transportation, and Disposal Services for Municipal Refuse; Sanitation and Similar Services; Nature and Landscape Protection Services
(Except for Environmental Impact Assessment Services)

Obligations Concerned: National Treatment (Articles 7B.5 and 7A.3)
Local Presence (Article 7A.6)

Description: Cross-Border Trade in Services and Investment

Korea reserves the right to adopt or maintain any measure with respect to the following environmental services: treatment and supply of potable water; collection and treatment of municipal sewage; collection, transportation, and disposal of municipal refuse; sanitation and similar services; and nature and landscape protection services (except for environmental impact assessment services).

This entry shall not apply to the supply of the aforementioned services pursuant to a contract between private parties, to the extent the private supply of such services is permitted under relevant laws and regulations.

14.

Sector:	Atomic Energy - Nuclear Power Generation; Manufacturing and Supply of Nuclear Fuel; Nuclear Materials; Radioactive Waste Treatment and Disposal (including treatment and disposal of spent and irradiated nuclear fuel); Radioisotope and Radiation Generation Facilities; Monitoring Services for Radiation; Services Related to Nuclear Energy; Planning, Maintenance, and Repair Services
Obligations Concerned:	National Treatment (Articles 7B.5 and 7A.3) Local Presence (Article 7A.6)
Description:	<u>Cross-Border Trade in Services and Investment</u> Korea reserves the right to adopt or maintain any measure with respect to the atomic energy industry

15.

Sector: Energy Services - Electric Power Generation other than Nuclear Power Generation; Electric Power Transmission, Distribution, and Sales; Electricity Business

Obligations Concerned: National Treatment (Articles 7B.5 and 7A.3)
Local Presence (Article 7A.6)

Description: Cross-Border Trade in Services and Investment

Korea reserves the right to adopt or maintain any measure with respect to electric power generation, transmission, distribution, and sales.

Any such measure shall not decrease the level of foreign ownership permitted in the electric power industry as provided by entry 44 in the Schedule of Korea to Annex I related to Energy Industry (electric power generation other than nuclear power generation; electric power transmission, distribution and sales).

16.

Sector: Energy Services - Gas industry

Obligations Concerned: National Treatment (Articles 7B.5 and 7A.3)
Local Presence (Article 7A.6)

Description: Cross-Border Trade in Services and Investment

Korea reserves the right to adopt or maintain any measure with respect to the import and wholesale distribution of natural gas and the operation of terminals and the national high pressure pipeline network.

Any such measure shall not decrease the level of foreign ownership permitted in the gas industry as provided by entry 45 in the Schedule of Korea to Annex I related to Energy Industry (gas industry).

17.

Sector: Distribution Services - Commission Agents' Services, Wholesaling and Retailing of Agricultural Raw Materials and Live Animals (*nong chuk san mul*)

Obligations Concerned: National Treatment (Articles 7B.5 and 7A.3)
Local Presence (Article 7A.6)

Description: Cross-Border Trade in Services and Investment

Korea reserves the right to adopt or maintain any measure with respect to:

- (a) commission agents' services of agricultural raw materials, live animals, food products, beverage;
- (b) wholesaling (including importation) services of grain, meat, poultry, grain powder, ginseng, red ginseng, fertilizers; and
- (c) retailing services of rice, ginseng and red ginseng.

18.

Sector: Transportation Services - Passenger Road Transportation Services (Taxi Services and Scheduled Passenger Road Transportation Services)

Obligations Concerned: National Treatment (Articles 7B.5 and 7A.3)
Most Favoured Nation Treatment (Articles 7B.6 and 7A.4)
Local Presence (Article 7A.6)

Description: Cross-Border Trade in Services and Investment

Korea reserves the right to adopt or maintain any measure with respect to taxi services and scheduled passenger road transportation services.

19.

Sector: Transportation Services - Freight Road Transportation Services
(not including Road Transportation Services Related to Courier Services)

Obligations Concerned: Most Favoured Nation Treatment (Articles 7B.6 and 7A.4)
Local Presence (Article 7A.6)

Description: Cross-Border Trade in Services and Investment

Korea reserves the right to adopt or maintain any measure with respect to freight road transportation services, not including road transportation of containerized freight (excluding cabotage) by international shipping companies and road transportation services related to courier services.

20.

Sector: Transportation Services - Internal Waterways Transportation Services and Space Transportation Services

Obligations Concerned: National Treatment (Articles 7B.5 and 7A.3)
Most Favoured Nation Treatment (Articles 7B.6 and 7A.4)
Local Presence (Article 7A.6)

Description: Cross-Border Trade in Services and Investment

Korea reserves the right to adopt or maintain any measure with respect to internal waterways transportation services and space transportation services.

21.

Sector: Transportation Services - Storage and Warehousing Services

Obligations Concerned: National Treatment (Articles 7B.5 and 7A.3)

Description: Cross-Border Trade in Services and Investment

Korea reserves the right to adopt or maintain any measure with respect to storage and warehousing services related to agricultural, fisheries and livestock products

22.

Sector: Communication Services - Non-monopoly Postal Services

Obligations Concerned: National Treatment (Articles 7B.5 and 7A.3)

Description: Cross-Border Trade in Services and Investment

Korea reserves the right to adopt or maintain any measure with respect to

- (a) the supply of support services to postal offices by military service personnel or other personnel of equivalent status; and
- (b) the Minister of Science and ICT not needing authorisation from the Minister of Land, Infrastructure and Transport in determining the total number of vehicles that may belong to the Ministry of Science and ICT and allocating the vehicles to postal offices.

The Korean Postal Authority reserves exclusive rights for collecting, processing and delivering domestic and international letters.

The exclusive rights of the Korean Postal Authority include the right of access to its postal network and operation thereof.

Existing Measures: *Postal Service Act*

Military Service Act

Regulations on Management of Common-Purpose Motor Vehicles

Foreign Investment Promotion Act

23.

Sector: Communication Services - Broadcasting Services

Obligations Concerned: National Treatment (Articles 7B.5 and 7A.3)
Most Favoured Nation Treatment (Articles 7B.6 and 7A.4)
Market Access (Article 7A.5)
Local Presence (Article 7A.6)

Description: Cross-Border Trade in Services and Investment

Korea reserves the right to adopt or maintain any measure relating to broadcasting services.

Korea shall ensure that this entry is not inconsistent with the Communication Services - Broadcasting Services entry (entry 43) in the Schedule of Korea to Annex I.

Existing Measures: *Broadcasting Act*

Enforcement Decree of the Broadcasting Act

24.

Sector: Communication Services - Broadcasting and Telecommunications Services

Obligations Concerned: National Treatment (Articles 7B.5 and 7A.3)
Most Favoured Nation Treatment (Articles 7B.6 and 7A.4)
Market Access (Article 7A.5)
Local Presence (Article 7A.6)

Description: Cross-Border Trade in Services and Investment

Korea reserves the right to adopt or maintain any measure with respect to subscription-based video services.

For purposes of this entry, **subscription-based video services** means subscription-based video services that are supplied to end-users over dedicated transmission capacity that the supplier owns or controls (including by leasing) and includes Internet Protocol-based Television (IPTV) and Interactive Broadcasting.

Existing Measures: *Internet Multimedia Broadcasting Business Act*

Enforcement Decree of the Internet Multimedia Broadcasting Business Act

25.

Sector: Communication Services - Broadcasting and Audio-Visual Services

Obligations Concerned: Most Favoured Nation Treatment (Articles 7B.6 and 7A.4)

Description: Cross-Border Trade in Services and Investment

Korea reserves the right to adopt or maintain any preferential co-production arrangement for film or television program productions. Official co-production status, which may be granted to a co-production produced under such a co-production arrangement, confers national treatment on works covered by a co-production arrangement.

Existing Measures: *Promotion of the Motion Pictures and Video Products Act*

Notice on Programming of Broadcast Programs, etc.

26.

Sector: Communication Services - Broadcasting and Audio-Visual Services

Obligations Concerned: National Treatment (Articles 7B.5 and 7A.3)

Description: Cross-Border Trade in Services and Investment

Korea reserves the right to adopt or maintain any measure setting criteria for determining whether broadcasting or audio-visual programs are Korean.

Korea shall ensure that this entry is not inconsistent with the Telecommunications Services entry (entry 16) in the Schedule of Korea to Annex I or the Communication Services - Broadcasting and Telecommunications Services entry (entry 24) in the Schedule of Korea to Annex II.

Existing Measures:

Promotion of Motion Pictures and Video Products Act

Enforcement Decree of the Promotion of Motion Pictures and Video Products Act

Enforcement Regulations of the Promotion of Motion Pictures and Video Products Act

Notice on Programming of Broadcast Programs, etc.

27.

Sector: Business Services - Real Estate Services (not including Real Estate Brokerage and Appraisal Services)

Obligations Concerned: National Treatment (Articles 7B.5 and 7A.3)
Local Presence (Article 7A.6)

Description: Cross-Border Trade in Services and Investment

Korea reserves the right to adopt or maintain any measure with respect to real estate development, supply, management, sale, and rental services, except for brokerage and appraisal services.

28.

Sector: Business Services - Insolvency and Receivership Services

Obligations Concerned: National Treatment (Articles 7B.5 and 7A.3)
Local Presence (Article 7A.6)

Description: Cross-Border Trade in Services and Investment

Korea reserves the right to adopt or maintain any measure with respect to insolvency and receivership services.

Korea reserves the right to adopt or maintain any measure with respect to corporate restructuring services, including corporate restructuring companies, corporate restructuring partnerships, and corporate restructuring vehicles.

For greater certainty, this entry shall not be construed to negatively affect current legitimate investment banking services subject to rights and obligations under Chapter Seven-D (Financial Services).

29.

Sector: Digital Audio or Video Services

Obligations Concerned: National Treatment (Articles 7B.5 and 7A.3)
Most Favoured Nation Treatment (Articles 7B.6 and 7A.4)
Local Presence (Article 7A.6)

Description: Cross-Border Trade in Services and Investment

Korea reserves the right to adopt any measure to ensure that, upon a finding by the Government of Korea that Korean digital audio or video content or genres thereof is not readily available to Korean consumers, access to such content is not unreasonably denied to Korean consumers. With respect to digital audio or video services targeted at Korean consumers, Korea reserves the right to adopt any measure to promote the availability of such content.

For purposes of this entry, **digital audio or video service** means a service that provides streaming audio content, films or other video downloads or streaming video content regardless of the type of transmission (including through the Internet), but does not include broadcasting services as defined by the *Broadcasting Act* as of the date this Agreement enters into force or subscription-based video services as defined in the Communication Services - Broadcasting and Telecommunications Services entry (entry 24) in the Schedule of Korea to Annex II.

Existing Measures: *Contents Industry Promotion Act*

30.

Sector: Business Services - Cadastral Surveying Services and Cadastral Map-Making Services

Obligations Concerned: National Treatment (Articles 7B.5 and 7A.3)

Description: Cross-Border Trade in Services and Investment

Korea reserves the right to adopt or maintain any measure with respect to cadastral surveying services and cadastral map related services.

31.

Sector: Business and Environmental Services - Examination, Certification, and Classification of Agricultural Raw Materials and Live Animals (*nong chuk san mul*)

Obligations Concerned: National Treatment (Articles 7B.5 and 7A.3)
Local Presence (Article 7A.6)

Description: Cross-Border Trade in Services and Investment

Korea reserves the right to adopt or maintain any measure with respect to examination, certification, and classification of agricultural raw materials and live animal products

32.

Sector: Business Services - Services Incidental to Agriculture, Hunting, Forestry, and Fishing

Obligations Concerned: National Treatment (Articles 7B.5 and 7A.3)
Local Presence (Article 7A.6)

Description: Cross-Border Trade in Services and Investment

Korea reserves the right to adopt or maintain any measure with respect to services incidental to agriculture, forestry, and livestock, including genetic improvement, artificial insemination, rice and barley polishing, and activities related to a rice processing complex.

Korea reserves the right to adopt or maintain any measure with respect to the supply of services incidental to agriculture, hunting, forestry, and fishing by the Agricultural Cooperatives, the Forestry Cooperatives, and the Fisheries Cooperatives.

33.

Sector: Fishing

Obligations Concerned: National Treatment (Article 7B.5)

Description: Investment

Korea reserves the right to adopt or maintain any measure with respect to fishing activities in Korea's territorial waters and Exclusive Economic Zone.

34.

Sector: Publishing of Newspapers

Obligations Concerned: National Treatment (Articles 7B.5 and 7A.3)
Local Presence (Article 7A.6)

Description: Cross-Border Trade in Services and Investment

Korea reserves the right to adopt or maintain any measure with respect to the publishing (including printing and distribution) of newspapers.

Existing Measures: *Act on the Promotion of Newspapers, etc.*

Enforcement Decree of the Act on the Promotion of Newspapers, etc.

35.

Sector: Education Services - Pre-Primary, Primary, Secondary, Higher, Adult and Other Education

Obligations Concerned: National Treatment (Articles 7B.5 and 7A.3)
Market Access (Article 7A.5)
Most Favoured Nation Treatment (Articles 7B.6 and 7A.4)
Local Presence (Article 7A.6)

Description: Cross-Border Trade in Services and Investment

Korea reserves the right to adopt or maintain any measure with respect to pre-primary, primary, and secondary education; health and medicine-related higher education; higher education for prospective pre-primary, primary, and secondary teachers; professional graduate education in law; distance education at all education levels (except adult education services other than health and medicine-related adult education services, provided that such services do not confer academic credit, diplomas, or degrees); and other education services.

This entry does not apply to the administration of educational testing for foreign use. For greater certainty, nothing in this Agreement affects Korea's authority to select and apply educational testing, or to regulate school curriculum in accordance with domestic education policy.

36.

Sector: Social Services - Human Health Services

Obligations Concerned: National Treatment (Articles 7B.5 and 7A.3)
Most Favoured Nation Treatment (Articles 7B.6 and 7A.4)
Local Presence (Article 7A.6)

Description: Cross-Border Trade in Services and Investment

Korea reserves the right to adopt or maintain any measure with respect to human health services.

37.

Sector: Recreational, Cultural, and Sporting Services - Motion Picture Promotion, Advertising, or Post-Production Services

Obligations Concerned: National Treatment (Articles 7B.5 and 7A.3)
Most Favoured Nation Treatment (Articles 7B.6 and 7A.4)
Local Presence (Article 7A.6)

Description: Cross-Border Trade in Services and Investment

Korea reserves the right to adopt or maintain any measure with respect to motion picture promotion, advertising, or post-production services.

38.

Sector: Recreational, Cultural, and Sporting Services - Museum and Other Cultural Services

Obligations Concerned: National Treatment (Articles 7B.5 and 7A.3)
Local Presence (Article 7A.6)

Description: Cross-Border Trade in Services and Investment

Korea reserves the right to adopt or maintain any measure with respect to the conservation and restoration of cultural heritage and properties, including the excavation, appraisal, or dealing of cultural heritage and properties.

Existing Measures: *Framework Act on National Heritage*
Act on Protection and Investigation of Buried Heritage
Act on Conservation and Utilization of Cultural Heritage
Special Act on The Preservation and Promotion of Ancient Cities
Special Act on The Restoration and Maintenance of Key Historic Sites of The Silla Royal Capital
Special Act on Conservation, Management and Utilization of World Heritage
Special Act on The Maintenance of Historical and Cultural Zones

39.

Sector: Other Recreational Services

Obligations Concerned: National Treatment (Article 7B.5)

Description: Investment

Korea reserves the right to adopt or maintain any measure with respect to tourism in rural, fishery, and agricultural sites.

40.

Sector: Gambling and Betting Services

Obligations Concerned: National Treatment (Articles 7B.5 and 7A.3)
Most Favoured Nation Treatment (Articles 7B.6 and 7A.4)
Local Presence (Article 7A.6)

Description: Cross-Border Trade in Services and Investment

Korea reserves the right to adopt or maintain any measure with respect to gambling and betting services.

For greater certainty, **gambling and betting** includes such services supplied through electronic transmission and services that use *sa-haeng-seong-ge-im-mul*. “*Sa-haeng-seong-ge-im-mul*”, as defined in Article 2 of Korea’s *Game Industry Promotion Act*, includes, *inter alia*, gaming instruments which result in financial loss or gain through betting or by chance.

Existing Measures: *Tourism Promotion Act*

Special Act on the Assistance to the Development of Abandoned Mine Areas

National Sports Promotion Act

Enforcement Decree of the National Sports Promotion Act

Korea Racing Authority Act

Traditional Bullfighting Match Act

Bicycle and Motorboat Racing Act

Game Industry Promotion Act

Act on Special Cases concerning Regulation and Punishment of Speculative Acts, etc.

National Gambling Control Commission Act

Enforcement Decree of National Gambling Control Commission Act

41.

Sector: Legal Services - Foreign Legal Consultants

Obligations Concerned: National Treatment (Articles 7B.5 and 7A.3)
Market Access (Article 7A.5)
Most Favoured Nation Treatment (Articles 7B.6 and 7A.4)
Local Presence (Article 7A.6)

Description: Cross-Border Trade in Services and Investment

1. Korea reserves the right to adopt or maintain any measures including but not limited to:

- (a) restrictions on certification, approval, registration, admission, and supervision of, and any other requirements with respect to, foreign country-licensed lawyers or foreign law firms supplying any type of legal services in Korea;
- (b) restrictions on foreign country-licensed lawyers or foreign law firms entering into partnerships, commercial associations, affiliations, or any other type of relationship regardless of legal form, with *byeon-ho-sa* (Korean-licensed lawyers), Korean law firms, *beop-mu-sa* (Korean-certified judicial scriveners), *byeon-ri-sa* (Korean-licensed patent attorneys), *gong-in-hoe-gye-sa* (Korean-certified public accountants), *se-mu-sa* (Korean-certified tax accountants), or *gwan-se-sa* (Korean customs brokers); and
- (c) restrictions on foreign country-licensed lawyers or foreign law firms hiring *byeon-ho-sa* (Korean-licensed lawyers), *beop-mu-sa* (Korean-certified judicial scriveners), *byeon-ri-sa* (Korean-licensed patent attorneys), *gong-in-hoe-gye-sa* (Korean-certified public accountants), *se-mu-sa* (Korean certified tax accountants), or *gwan-se-sa* (Korean customs brokers) in Korea.

2. Notwithstanding paragraph 1:

- (a) Korea shall allow, subject to certain requirements consistent with this Agreement, UK law firms to establish representative offices (Foreign Legal Consultant offices or FLC

offices) in Korea, and attorneys licensed in the United Kingdom to provide legal advisory services regarding the laws of the jurisdiction in which they are licensed and public international law as foreign legal consultants in Korea.

- (b) Korea shall allow FLC offices, subject to certain requirements consistent with this Agreement, to enter into specific cooperative agreements with Korean law firms in order to be able to jointly deal with cases where domestic and foreign legal issues are mixed, and to share profits derived from such cases.
- (c) Korea shall allow UK law firms to establish, subject to certain requirements consistent with this Agreement, joint venture firms with Korean law firms. Korea may impose restrictions on the proportion of voting shares or equity interests of the joint venture firms. For greater certainty, such joint ventures may, subject to certain requirements, employ Korean-licensed lawyers as partners or associates.
- (d) However, they shall not be engaged in:
 - (i) representation for juridical or statutory procedures in courts and other government agencies as well as preparation of legal documents for such procedures;
 - (ii) legal representation for the entrustment of the preparation of notarial deeds;
 - (iii) activities concerning labour affairs consulting services or a legal case whose objective is the acquisition or loss or change of rights concerning real property in Korea, intellectual property rights, mining rights or other rights arising upon registration thereof with government agencies in Korea; and
 - (iv) activities in legal cases concerning family relations or inheritance, in which a Korean national is involved as a party or the property concerned is located in Korea.

3. Korea shall maintain, at a minimum, the measures adopted to implement its commitments in paragraph 2.

4. For transparency purposes:

- (a) A foreign lawyer who wishes to practice law as a Foreign Legal Consultant (FLC) in Korea must be approved by the Minister of Justice, must register with the Korean Bar Association, must have practiced law for at least three years in the jurisdiction where he/she is qualified as a lawyer, and must be in good standing of the legal profession in the jurisdiction.
- (b) Permission of the Minister of Justice is required for the establishment of a representative office in Korea. The representative office consists of a FLC or FLCs approved by the Minister of Justice. It must have credibility and expertise, and sufficient capability to compensate for damages caused to the client, if any. The chief of the representative office must have practiced law for at least five years, including three years in the jurisdiction of his/her qualification.
- (c) A representative office can conduct profit-making activities provided that such presence in Korea maintains proper business plans and financial bases and must observe the *Foreign Legal Consultant Act*, its presidential decree and enforcement rule.
- (d) For the purpose of this entry, only the law firm which is organised under the relevant law of the United Kingdom and headquartered in the United Kingdom can establish its representative office in Korea. Any type of subordinate or dependent legal entity, including but not limited to a branch, a local office, a subsidiary or a joint-venture firm of the law firm of a country other than the United Kingdom shall not be permitted to establish its representative office in Korea.
- (e) An FLC is required to stay in Korea not less than 180 days a year.

5. For purposes of this entry, **UK law firm** means a law firm organised under the law of the United Kingdom and headquartered in the United Kingdom.

42.

Sector: Professional Services - Foreign Certified Public Accountants

Obligations Concerned: National Treatment (Articles 7B.5 and 7A.3)
Market Access (Article 7A.5)
Most Favoured Nation Treatment (Articles 7B.6 and 7A.4)
Local Presence (Article 7A.6)

Description: Cross-Border Trade in Services and Investment

1. Korea reserves the right to adopt or maintain any measures, including but not limited to:

- (a) restrictions on certified public accountants or accounting corporations registered under foreign laws hiring *gong-in-hoe-gye-sa* (Korean-certified public accountants); and
- (b) restrictions on foreign-certified public accountants providing auditing services in Korea.

2. Notwithstanding paragraph 1,

- (a) Korea shall allow, subject to certain requirements consistent with this Agreement:
 - (i) public accountants certified and registered in the United Kingdom or UK accounting corporations to supply accounting consulting services relating to UK or international accounting laws and standards through offices established in Korea; and
 - (ii) public accountants certified and registered in the United Kingdom to work in *hoe-gye-beop-in* (Korean accounting corporations).
- (b) Korea shall allow public accountants certified and registered in the United Kingdom to invest in any *hoe-gye-beop-in* (Korean accounting corporations), subject to certain requirements consistent with this Agreement, provided that:

- (i) *gong-in-hoe-gye-sa* (Korean registered certified public accountants) shall own more than 50 percent of the voting shares or equity interest of the *hoe-gye-beop-in*, and
- (ii) any single public accountant certified and registered in the United Kingdom owns less than 10 percent of the voting shares or equity interests of the *hoe-gye-beop-in*.

3. Korea shall maintain, at a minimum, the measures adopted to implement its commitments in paragraph 2.

4. For purposes of this entry, a **UK accounting corporation** means an accounting corporation or partnership organised under the law of the United Kingdom and headquartered in the United Kingdom.

43.

Sector:	Professional Services - Foreign Certified Tax Accountants
Obligations Concerned:	National Treatment (Articles 7B.5 and 7A.3) Market Access (Article 7A.5) Most Favoured Nation Treatment (Articles 7B.6 and 7A.4) Local Presence (Article 7A.6)
Description:	<u>Cross-Border Trade in Services and Investment</u> 1. Korea reserves the right to adopt or maintain any measures, including but not limited to: (a) restrictions on certified tax accountants or tax agency corporations registered under foreign laws hiring <i>se-mu-sa</i> (Korean-certified tax accountants) or <i>gong-in-hoe-gye-sa</i> (Korean-certified public accountants); and (b) restrictions on foreign-certified tax accountants providing tax reconciliation services and tax representative services in Korea. 2. Notwithstanding paragraph 1, (a) Korea shall allow, subject to certain requirements consistent with this Agreement: (i) the establishment of offices in Korea by UK certified tax accountants registered in the United Kingdom or UK tax agency corporation to provide tax consulting services with respect to UK or international tax laws and taxation system; and (ii) UK certified tax accountants registered in the United Kingdom to work in <i>se-mu-beop-in</i> (Korean tax agency corporations). (b) Korea shall allow UK certified tax accountants registered in the United Kingdom to invest in any <i>se-mu-beop-in</i> (Korean tax agency corporations), subject to certain requirements consistent with this Agreement, provided that:

- (i) *se-mu-sa* (Korean-certified tax accountants) shall own more than 50 percent of the voting shares or equity interests of the *se-mu-beop-in*; and
- (ii) any single UK certified tax accountant registered in the United Kingdom owns less than 10 percent of the voting shares or equity interests of the *se-mu-beop-in*.

3. Korea shall maintain, at a minimum, the measures adopted to implement its commitments in paragraph 2.

4. For purposes of this entry, a **UK tax agency corporation** means a tax agency corporation or partnership organised under the law of the United Kingdom and headquartered in the United Kingdom.

44.

Sector: Business Services

Obligations Concerned: National Treatment (Article 7B.5 and 7A.3)
Local Presence (Article 7A.6)
Most Favoured Nation Treatment (Articles 7B.6 and 7A.4)

Description: Cross-Border Trade in Services and Investment

Korea reserves the right to adopt or maintain any measure with respect to the exportation and re-exportation of controlled commodities, software, and technology.

Only persons residing in Korea may apply for a licence to export or re-export such commodities, software, or technology.

45.

Sector: All Sectors

Obligations Concerned: National Treatment (Articles 7B.5)

Description: Investment

Korea reserves the right to adopt or maintain any measure with respect to an investment to supply a service in the exercise of governmental authority, as that term is defined in Article 7B.2 (Definitions), such as law enforcement and correctional services. This entry does not apply to:

- (a) an investor or covered investment that has entered into an agreement with Korea with respect to the supply of such services; or
- (b) a measure adopted or maintained by Korea to the extent that the measure is subject to Chapter Seven-D (Financial Services).

46.

Sector: Transportation Services - Maritime Passenger Transportation and Maritime Cabotage¹

Obligations Concerned: National Treatment (Articles 7B.5 and 7A.3)
Most Favoured Nation Treatment (Articles 7B.6 and 7A.4)
Local Presence (Article 7A.6)

Description: Cross-Border Trade in Services and Investment

Korea reserves the right to adopt or maintain any measure with respect to the provision of international maritime passenger transportation services, maritime cabotage, and the operation of Korean vessels, including the following measures:

A person that supplies international maritime passenger transportation services must obtain a licence from the Minister of Oceans and Fisheries, which is subject to an economic needs test.

Maritime cabotage is reserved for Korean vessels. Maritime cabotage includes maritime transportation between harbours located along the entire Korean peninsula and any adjacent islands.

Korean vessel means:

- (a) a vessel owned by the Korean government, a state enterprise, or an institution established under the Ministry of Oceans and Fisheries;
- (b) a vessel owned by a Korean national;
- (c) a vessel owned by an enterprise organised under the Korean Commercial Code; or
- (d) a vessel owned by an enterprise organised under foreign law that has its principal office in Korea and whose *dae-pyo-ja* (for example, a chief executive officer, president, or similar principal senior officer) is a Korean national.

¹ Without prejudice to the scope of activities which may be considered as cabotage under the relevant national legislation, this Schedule does not include maritime national cabotage services, which are assumed to cover transportation of passengers or goods between a port or point located in the entire Korean peninsula or any adjacent Korean islands and another port or point located in the entire Korean peninsula or any adjacent Korean islands, including on its continental shelf as provided in the UN Convention on the Law of the Sea, and traffic originating and terminating in the same port or point located in the entire Korean peninsula and any adjacent Korean islands.

In the event there is more than one, all *dae-pyo-ja* must be Korean nationals.

For greater certainty, measures relating to the landside aspects of port activities are subject to the application of Article 7B.18 (Security Exceptions) and Article 15.9 (Security Exceptions).

47.

Sector: Air Services

Obligations Concerned: National Treatment (Articles 7B.5 and 7A.3)
Most Favoured Nation Treatment (Articles 7B.6 and 7A.4)
Local Presence (Article 7A.6)

Description: Cross-Border Trade in Services and Investment

Korea reserves the right to adopt or maintain any measure with respect to air services except aircraft repair and maintenance services, computer reservation system services, the selling and marketing of air transport services, and specialty air services.

APPENDIX II-A

For the following Sectors, Korea's obligations under Article XVI of the General Agreement on Trade in Services as set out in Korea's Schedule of Specific Commitments under the GATS(GATS/SC/48, GATS/SC/48/Suppl.1, GATS/SC/48/Suppl.1/Rev.1, GATS/SC/48/Suppl.2, GATS/SC/48/Suppl.3, and GATS/SC/48/Suppl.3/Rev.1) are improved as described.

Sector/Subsector	Market Access Improvements
Research and Development Services:	
a. Research and development services on natural sciences	Insert new commitments with "None" for modes 1 and 2; "Unbound" for mode 3; and "Unbound except as indicated in the Horizontal Commitments section" for mode 4
b. Research and development services on social sciences and humanities	Modify modes 1 and 2 limitations from "Unbound" to "None"
c. Interdisciplinary research and development services	Insert new commitments with "None" for modes 1 and 2, "Unbound" for mode 3, and "Unbound except as indicated in the Horizontal Commitments section" for mode 4
E. Rental/Leasing Services without Operators	
e. other	
Leasing or rental services concerning personal or household goods (CPC 832)	Insert new commitments with "None" for modes 1 through 3, and "Unbound except as indicated in the Horizontal Commitments section" for mode 4
F. Other Business Services	
b. Market research and public opinion polling services (CPC 864)	Modify mode 1 and 2 limitations from "Unbound" to "None"
e. Testing and analysis services of physical properties (CPC 86762)	Insert new commitments with "None" for modes 2 and 3, "Commercial presence is required" for mode 1, and "Unbound except as indicated in the Horizontal Commitments section" for mode 4

For the following Sectors, Korea's obligations under Article XVI of the General Agreement on Trade in Services as set out in Korea's Schedule of Specific Commitments under the GATS(GATS/SC/48, GATS/SC/48/Suppl.1, GATS/SC/48/Suppl.1/Rev.1, GATS/SC/48/Suppl.2, GATS/SC/48/Suppl.3, and GATS/SC/48/Suppl.3/Rev.1) are improved as described.

Sector/Subsector	Market Access Improvements
f. Consulting Services related to agriculture and animal husbandry (CPC 8811**, 8812**) Services incidental to forestry excluding aerial firefighting and disinfection (CPC 8814*)	Modify mode 1 and 2 limitations from "Unbound" to "None"
Poultry differentiation services (CPC 8812**)	Insert new commitments with "None" for modes 1 through 3, and "Unbound except as indicated in the Horizontal Commitments section" for mode 4
g. Consulting services related to fishing (CPC 882**)	Modify mode 1 and 2 limitations from "Unbound" to "None"
h. Services incidental to mining	Modify mode 1 and 2 limitations from "Unbound" to "None"
i. services incidental to manufacturing: only consulting services related to manufacturing technologies of new products (CPC 884** and 885** excluding 88411, 88450, 88442, and 88493)	Insert new commitments with "None" for mode 1, 2 and 3, and "Unbound except as indicated in the Horizontal Commitments section" for mode 4
Building-cleaning services (CPC 874* excluding 87409)	Insert new commitments with "Unbound*" for mode 1, "None" for modes 2 and 3, and "Unbound except as indicated in the Horizontal Commitments section" for mode 4
Packaging services	Modify mode 1 and 2 limitations from "Unbound" to "None"
Specialty design services (CPC 87907)	Insert new commitments with "None" for mode 1, 2 and 3, and "Unbound except as indicated in the Horizontal Commitments section" for mode 4

For the following Sectors, Korea's obligations under Article XVI of the General Agreement on Trade in Services as set out in Korea's Schedule of Specific Commitments under the GATS(GATS/SC/48, GATS/SC/48/Suppl.1, GATS/SC/48/Suppl.1/Rev.1, GATS/SC/48/Suppl.2, GATS/SC/48/Suppl.3, and GATS/SC/48/Suppl.3/Rev.1) are improved as described.

Sector/Subsector	Market Access Improvements
Tourism and travel related services : a. Beverage serving services without entertainment Excluding rail and air transport related facilities in beverage serving services without entertainment b. Tour operator services c. Tourist Guides Services	Insert new commitments with "Unbound*" for mode 1, "None" for mode 2 and 3, and "Unbound except as indicated in the Horizontal Commitments section" for mode 4 Insert new commitments with "None" for modes 1 through 3, and "Unbound except as indicated in the Horizontal Commitments section" for mode 4 Modify mode 3 from "Only travel agencies are allowed to supply tourist guide services" to "None"
Convention services other than Convention agency services	Insert new commitments with "None" for modes 1 through 3, and "Unbound except as indicated in the Horizontal Commitments section" for mode 4
Environment consulting services (CPC 9409*)	Insert new commitments with "None" for modes 1 through 3, and "Unbound except as indicated in the Horizontal Commitments section" for mode 4
Recreational, Cultural and Sporting Services D. Other Game Services (CPC 964* excluding 96492)	Insert new commitments with "Unbound" for mode 1, "None" for modes 2 and 3, and "Unbound except as indicated in the Horizontal Commitments section" for mode 4

For the following Sectors, Korea's obligations under Article XVI of the General Agreement on Trade in Services as set out in Korea's Schedule of Specific Commitments under the GATS(GATS/SC/48, GATS/SC/48/Suppl.1, GATS/SC/48/Suppl.1/Rev.1, GATS/SC/48/Suppl.2, GATS/SC/48/Suppl.3, and GATS/SC/48/Suppl.3/Rev.1) are improved as described.

Sector/Subsector	Market Access Improvements
E. Recreation park services (CPC 96491 excluding CPC 96191, 96192 and beach services)	Insert new commitments with "None" for mode 1, 2 and 3, and "Unbound except as indicated in the Horizontal Commitments section" for mode 4
Rental of vessels with crew (CPC 7213)	Insert new commitments with "None" for mode 1 and 2, "Unbound for the establishment of a registered company for the purpose of operating a fleet under the national flag of Korea " for mode 3, and "Unbound except as indicated in the Horizontal Commitments section" for mode 4
Pushing and towing services (CPC 7214)	Insert new commitments with "None" for mode 2, "Unbound" for mode 1, "Unbound for the establishment of a registered company for the purpose of operating a fleet under the national flag of Korea" for mode 3, and "Unbound except as indicated in the Horizontal Commitments section" for mode 4
Tally, measuring and survey services (CPC 745**)²	Insert new commitments with "None" for modes 2 and 3, "Unbound*" for mode 1, and "Unbound except as indicated in the Horizontal Commitments section" for mode 4
E. Rail Transport Services c. Maintenance and repair of rail (part of CPC 8868)³ d. Services auxiliary to rail transport services (part of CPC 741, CPC 7113)⁴	Insert new commitments with "None" for modes 2 and 3, "Unbound" for mode 1, and "Unbound except as indicated in the Horizontal Commitments section" for mode 4

² Tally, measuring and survey services only apply to the maritime transport sector

³ Commitments on maintenance and repair services of rail only apply to the privately owned rail facilities

⁴ Commitments on services auxiliary to rail transport services only apply to the privately owned rail facilities.

For the following Sectors, Korea's obligations under Article XVI of the General Agreement on Trade in Services as set out in Korea's Schedule of Specific Commitments under the GATS(GATS/SC/48, GATS/SC/48/Suppl.1, GATS/SC/48/Suppl.1/Rev.1, GATS/SC/48/Suppl.2, GATS/SC/48/Suppl.3, and GATS/SC/48/Suppl.3/Rev.1) are improved as described.

Sector/Subsector	Market Access Improvements
G. . Pipeline Transport (CPC 7131**) Only the transportation of oil products, excluding the transportation of LPG⁵	Insert new commitments with "Unbound" for modes 1 and 2, "None" for mode 3, and "Unbound except as indicated in the Horizontal Commitments section" for mode 4
OTHER SERVICES NOT INCLUDED ELSEWHERE	
c. Hairdressing and other beauty services (CPC 9702)	Insert new commitments with "None" for modes 1 and 2, "Unbound" for mode 3, and "Unbound except as indicated in the Horizontal Commitments section" for mode 4

⁵ Pipeline transport of natural gas is to be found under "All Sectors – Gas Industry" in the Schedule of Specific Commitments of Establishment.